



Sharda Motor Industries Ltd.

SMIL: LISTING: 20-21/0409

4th September, 2020

BSE Limited (BSE)

Department of Corporate Services
Pheroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
(SCRIP CODE - 535602)

National Stock Exchange of India Limited (NSE)

Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra - Kurla Complex, Mumbai - 400 051
(Symbol - SHARDAMOTR) (Series - EQ)

Sub: Notice of 35th Annual General Meeting, Annual Report for Financial Year 2019-20 & Book Closure Intimation

Dear Sir/ Madam,

In pursuant to Regulation 34 and other applicable regulations of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 "Listing Regulation", please find enclosed herewith a copy of the Notice of the 35th AGM along with Annual Report for Financial Year 2019-20. The 35th Annual General Meeting ("AGM") of the Members of Sharda Motor Industries Limited ("the Company") is scheduled to be held on Tuesday, 29th September, 2020 at 12:00 Noon, Indian Standard Time ('IST') through Video Conferencing ('VC') / Other Audio- Visual Means ('OAVM'), to transact the businesses as set forth in the Notice of the 35th AGM. The 35th AGM has been convened considering the present situation due to Covid-19 pandemic and circulars issued by the Ministry of Corporate Affairs viz circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), permitting convening the Annual General Meeting (AGM) by the companies through VC or OAVM, without the physical presence of the members at the deemed venue.

The Notice of 35th AGM along with Annual Report for Financial Year 2019-20 is also available on the Company's website at "<https://www.shardamotor.com>".

Pursuant to relevant provision of Companies Act, 2013 read with rules made thereunder and applicable provisions of SEBI Listing Regulations, the Company is providing facility to its Members to attend the 35th AGM through VC/ OVAM and to exercise their right to vote in respect of the business to be transacted at the 35th AGM by electronic means (remote e-voting / e-voting at the AGM). The details related to Book closure, Cut off for E-voting, commencement and end dates of E-voting are enclosed as:

Events	Date	Time
Date of 35 th AGM	Tuesday, 29 th September, 2020	12:00 Noon (IST)
Mode	Video Conference ("VC") and Other Audio Visual Means ("OAVM").	Not Applicable

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

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

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

CIN NO-L74899DL1986PLC023202



Sharda Motor Industries Ltd.

Website of CDSL for attending the 35 th AGM & exercising their right to vote	https://www.evotingindia.com	Not Applicable
Cut-off date for casting the votes through E-voting	Tuesday, 22 nd September, 2020	Not Applicable
Commencement of E-voting period	Saturday, 26 th September, 2020	09:00 A.M. (IST)
End of E-voting period	Monday, 28 th September, 2020	05:00 P.M. (IST)
Book Closure date for the purpose of AGM	From Wednesday, 23 rd September, 2020 to Tuesday, 29 th September, 2020 (both days inclusive)	Not Applicable

This is for your information and record.

Thanking you,

Yours faithfully,

For **SHARDA MOTOR INDUSTRIES LIMITED**

Nitin Vishnoi
Executive Director &
Company Secretary

Encl. as above:



35 Annual Report 2019 - 20



BOARD OF DIRECTORS	SHRI KISHAN N PARIKH SMT SHARDA RELAN SHRI AJAY RELAN SHRI ROHIT RELAN PROF. ASHOK KUMAR BHATTACHARYA SHRI SATINDER KUMAR LAMBAH SHRI BIRESWAR MITRA SHRI UDAYAN BANERJEE SMT. SARITA DHUPER SHRI NITIN VISHNOI	Chairperson Co-Chairperson Managing Director Director Director Director Executive Director (ceased w.e.f. 02.09.2019) Director Director (appointed w.e.f. 29.06.2020) Executive Director & Company Secretary (appointed as Executive Director w.e.f. 03.09.2020)
CHIEF EXECUTIVE OFFICER	SHRI AASHIM RELAN	
PRESIDENT & GROUP CHIEF FINANCIAL OFFICER	SHRI VIVEK BHATIA	
AUDITORS	STATUTORY AUDITORS M/s. GUPTA VIGG & CO. CHARTERED ACCOUNTANTS	
SECRETARIAL AUDITORS	M/s. VKC & ASSOCIATES COMPANY SECRETARIES	
COST AUDITORS	M/s. GURDEEP SINGH & ASSOCIATES COST ACCOUNTANTS	
BANKERS	KOTAK MAHINDRA BANK HDFC BANK YES BANK STATE BANK OF INDIA	
REGISTERED OFFICE	D-188, OKHLA INDUSTRIAL AREA, PHASE - I, NEW DELHI - 110 020, INDIA WEBSITE: WWW.SHARDAMOTOR.COM E-MAIL: investorrelations@shardamotor.com Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676 CIN: L74899DL1986PLC023202	

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Managing Director's Message

Dear Valued Stakeholders,

It is my privilege to write to you and present the Annual Report for 2019- 20 as Managing Director of Sharda Motor Industries Limited. I hope this letter finds you safe and in good health.

As you know, the Automobile Industry has grappled with several issues during the year. On one hand, mounting trade tensions, muted global growth and enhanced regulatory norms have fundamentally changed the contours of the business environment in which we operate. Next came the onset of the COVID-19 pandemic in the final quarter of the year, which has ushered in a new reality for industries across the world. The Indian auto industry faced an unprecedented year, marked by significant headwinds. The annual production of vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle has registered de-growth of (-)14.73%* over the same period last year. Also the Domestic auto sales declined by 18%* Y-o-Y in FY20, the lowest since the data series was introduced in 2001.

Alongside a broad economic slowdown, regulatory changes-including the migration to BS-VI emission standards-fuelled uncertainty for both consumers and suppliers. These challenges were further exacerbated in the final quarter of the year by the country's strict lockdown measures in response to the pandemic. The impact of COVID-19 resulted in losses to the company during the period which is expected to continue for the next few quarters. Against this volatile macro backdrop, your Company is charting out a disciplined path towards a robust and resilient future.

The principal take-home from our Company's performance during the year under review is that of inclusion and agility. I would emphasise the word 'inclusion' as the last quarter of the financial year under review was affected by a global pandemic. During this period, the Company demonstrated the ability to enhance value for all stakeholders in exceptionally challenged circumstances. I would concurrently emphasise the word 'agility' as we refused to be overwhelmed by the unfolding crisis. On the contrary, we responded with a spirit to further improve connection among our team members, customers and communities.

But it was in the final days of the year that the true nature of its purpose-driven world view truly shown through. The Company has prioritized the health and safety of its employees, therefore company has put in place a robust protocol for ensuring workplace safety including sanitization and social distancing norms and shall continue to strengthen it further, based on the Government of India recommendations. Also when we emerge out of this crisis, the world will be a very different place as are witnessing many of those changes already.

Looking ahead-

As we look ahead over the next two years, we anticipate a tremendous deal of transformation stemming from COVID-19.



AJAY RELAN

Consumer behavior will change in numerous ways, from demanding more integrated digital experiences to prioritising health and safety features across purchasing decisions. The move to 'slow' travel and personal (versus public and/or shared) transport may shape future demand for passenger vehicles. Greater scrutiny will be placed on building environmental sustainability and climate resilience into the very core of business models. The Company being the auto ancillary is well placed to meet the demand opportunities that will arise from these important and fundamental shifts.

Finally, on behalf of all the directors and management of the Company, I would like to take this opportunity to thank our dedicated and motivated employees who are the greatest asset of the Company and who have with their passion, hard work and commitment taken it to this level. I would also thank all our customers, suppliers, Government Agencies, Bankers, Employees and other stakeholders for reposing their confidence and faith in the Company.

Best Regards,

Ajay Relan
Managing Director

** The provided figures are based on the data shared by Society of Indian Automobile Manufacturer "SIAM" at their website.*

SHARDA MOTOR INDUSTRIES LIMITED

(CIN: L74899DL1986PLC023202)

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

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

Email: investorrelations@shardamotor.com Website: www.shardamotor.com

NOTICE

NOTICE is hereby given that the Thirty five (35) Annual General Meeting (AGM) of the members of Sharda Motor Industries Limited ("the Company") will be held on Tuesday, 29th September, 2020 at 12:00 Noon (IST), through Video Conferencing / Other Audio Visual Means ("VC/OAVM") to transact the following business(es):

ORDINARY BUSINESS:**1. To consider and adopt:**

- (a) **the audited standalone financial statement of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon; and**
- (b) **the audited consolidated financial statement of the Company for the financial year ended 31st March, 2020 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions:**
 - a) **"RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
 - b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended 31st March, 2020 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint Smt. Sharda Relan (DIN: 00252181), who retires by rotation, being eligible and offers herself for re-appointment as Director of the Company and if thought fit, to pass (with or without modification) the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS:**3. TO APPOINT SMT. SARITA DHUPER (DIN: 08776286) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualifications of Directors) Rules, 2014, and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Smt. Sarita Dhuper (DIN: 08776286), who was appointed as an Additional Director (in the capacity of an Independent Director) of the Company with effect from 29th June, 2020 and who holds office upto the date of this Annual General Meeting (AGM), in pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold the office of Independent Director for a term of upto five consecutive years with effect from 29th June, 2020.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution."

4. APPROVAL FOR CONTINUATION OF DIRECTORSHIP OF SHRI ASHOK KUMAR BHATTACHARYA (DIN: 02804551) AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY FOR THE REMAINING PERIOD OF PRESENT TENURE, I.E. TILL 2ND SEPTEMBER, 2024.

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended on 9th May, 2018 and the applicable provisions of the Companies Act, 2013, if any / Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the continuation of Shri Ashok Kumar Bhattacharya (DIN: 02804551), aged 74 years, as Non- Executive Independent Director of the Company for the remaining period of present Tenure, i.e. till 2nd September, 2024, be and is hereby approved."

"RESOLVED FURTHER THAT Shri Ajay Relan, Managing Director and / or Shri Vivek Bhatia, President & Chief Financial Officer and / or Shri Nitin Vishnoi, Executive Director & Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), consider necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

5. TO RATIFY THE REMUNERATION TO BE PAID TO M/S. GURDEEP SINGH & ASSOCIATES, COST AUDITORS OF THE COMPANY

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

"RESOLVED THAT pursuant to the provision of Section 148 of the Companies Act, 2013, read with rules framed thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such other permissions as may be necessary and on the recommendation of the Audit Committee of the Company, the members of the Company do hereby ratify the remuneration of Rs. 100,000/- (Rupees One Lakh only) excluding applicable taxes and other out-of-pocket expenses payable to M/s. Gurdeep Singh & Associates, Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of cost records of the specified products (i.e. Accessories of Air conditioners, parts of house hold and others and all types of Generator Parts) for the financial year 2020-21."

"RESOLVED FURTHER THAT Shri Ajay Relan, Managing Director and / or Shri Vivek Bhatia, President & Chief Financial Officer and / or Shri Nitin Vishnoi, Executive Director & Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein offered to any committee of Directors or Director(s) to give effect to the aforesaid resolution."

6. APPROVAL OF LOANS, INVESTMENTS, GUARANTEE OR SECURITY UNDER SECTION 185 OF COMPANIES ACT, 2013:

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 Regulation 23(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions of the Listing Regulations and Section 185 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014, provisions made thereunder and other applicable provisions, if any (including any statutory modifications, clarifications, exemptions or re-enactments thereof, from time to time) and the relevant provisions of the Memorandum and Articles of Association of the Company and, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan including any letter of comfort or loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company or any other Company/person in whom any of the Directors of the Company is interested/ deemed to be interested, from time to time, in their absolute discretion as may be deemed beneficial and in the interest of the Company, for an amount of upto Rs. 150 Crores (Rupees One Hundred and Fifty Crores Only) in aggregate, to the Bankers of Associate Company(ies) and / or Subsidiary Company(ies) or any other Company in which any Director is interested, if any or such other of the related Company, on such terms and conditions as may be mutually agreed upon."

"RESOLVED FURTHER THAT Shri Ajay Relan, Managing Director and / or Shri Vivek Bhatia, President & Chief Financial Officer and / or Shri Nitin Vishnoi, Executive Director & Company Secretary of the Company be and hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein offered to any committee of Directors or Director(s) to give effect to the aforesaid resolution."

**By Order of the Board
For SHARDA MOTOR INDUSTRIES LTD.**

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

Date : 29th June, 2020
Place : New Delhi

NOTES:

- In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated 5th May 2020 read with General Circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM on Tuesday, 29th September, 2020 at 12.00 P.M. (Noon) (IST). The deemed venue for the 35th AGM will be Registered Office of the Company at D-188, Okhla Industrial Area, Phase-I, New Delhi-110020.**
- An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-2 and Regulation 36(3) of SEBI Listing Regulations pertaining to the Directors proposed to be appointed / re-appointed / continuation of Director / Auditor is also annexed.
- PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT**

ANNEXED TO THIS NOTICE.

4. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 35th AGM through VC/OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at vk.c.pcs@gmail.com with a copy marked to Company at investorrelations@shardamotor.com and Voting Agency (CDSL) at helpdesk.evoting@cdslindia.com or upload on the VC portal / e-voting portal at least two days before the date of Meeting.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In Compliance with the MCA General Circular dated 5th May, 2020, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") the Notice of the AGM alongwith the Annual Report for the Year 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 35th AGM along the Annual Report for the Year 2019-20 has been uploaded on the website of the Company at www.shardamotor.com under 'AGM Notices' section of Shareholders Information and may also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The Notice along the Annual Report for the Year 2019-20 is also available on the website of CDSL at www.evotingindia.com. The Members are also requested to register their e-mail ID's and other details with the Company and Depository Participant. The Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Alankit Assignments Limited ('Registrar' or 'Alankit').
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings by logging into the Central Depository Services India Limited (CDSL) e-Voting website at www.evotingindia.com. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars but this will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.
8. Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily update their email address sending the request at e-mail ID of the Company at investorrelations@shardamotor.com.
9. The Members can pose their questions / queries on financial statements or any agenda item proposed in the notice of AGM by giving due intimation to the Company atleast 2 days prior to the Meeting at investorrelations@shardamotor.com, or to the Registrar & Share Transfer Agent at rta@alankit.com.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 29th September, 2020 from 11:00 A.M. to 2:00 P.M. on working days at the request of the Member. Members seeking to inspect such documents can send an email to investorrelations@shardamotor.com, at least 2 days in advance.
11. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar and Transfer Agent, Alankit Assignments Limited ('Registrar' or 'Alankit') at lalitap@alankit.com or rta@alankit.com for assistance in this regard.
12. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the Registrar at lalitap@alankit.com or rta@alankit.com in case the shares are held in physical form, quoting their folio number. Further, Members may note that Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in the securities market.
14. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive).
15. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, Alankit Assignments Limited, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited at lalitap@alankit.com or rta@alankit.com.

16. Members holding shares in physical mode are requested to register their email IDs with the Registrar and Share Transfer Agent of the Company and Members holding shares in demat mode are requested to register their email IDs with their respective DPs in case same is still not registered.
17. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Alankit Assignments Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
18. Members of the Company are informed that pursuant to the provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof, the amount of dividend which remains unclaimed/ unpaid for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education & Protection Fund ("IEPF") constituted by the Central Government and thereafter, no claims shall lie against the Company. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and its applicable rules. Therefore, it is advised to claim the same from the Company. The due dates of transfer of the following dividends to IEPF are as under:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	PROPOSED DUE DATE FOR TRANSFER TO IEPF
31.03.2013	02.09.2013	30.09.2020
31.03.2014	29.01.2014*	27.02.2021
31.03.2014	03.09.2014	01.10.2021
31.03.2015	10.02.2015*	08.03.2022
31.03.2015	26.08.2015	24.09.2022
31.03.2016	05.02.2016*	03.03.2023
31.03.2016	07.09.2016	05.10.2023
31.03.2017	05.02.2017*	03.03.2024
31.03.2017	30.08.2017	28.09.2024
31.03.2018	12.02.2018*	10.03.2025
31.03.2018	27.09.2018	25.10.2025

* Interim Dividend

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

19. Members can avail of the nomination facility by filing form SH-13, as prescribed under section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company/ RTA.
20. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder, and Regulation 44 of the Listing Regulations as amended and the MCA Circulars, Company is pleased to provide facility of remote e-voting to all its members to enable them to cast their votes on all resolutions set forth in this notice electronically. Remote e-voting is optional and not mandatory. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing the facility to cast vote through remote e-voting as well as e-Voting during the AGM to all its Members.

The instructions for e-voting are as under:

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

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter our User ID (For CDSL:16 Digits beneficiary ID, For NSDL :8 Character DPID followed by 8 Digits Client ID, Members holding shares in physical form should enter Folio Number registered with the Company)

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (iv) Enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits, enter the applicable number of zeros (0s) before the number after the first two characters of the name in CAPITAL letters. E.g. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</p>

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

- (vi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xv) Shareholders can cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google play store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xvi) Note for Non-Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investorrelations@shardamotor.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
 - If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or

Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

- (B) The Remote e-voting period will commence on Saturday, 26th September, 2020 (09:00 a.m. IST) and ends on Monday, 28th September, 2020 (05:00 p.m. IST). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Cut-Off date i.e. Tuesday, 22nd September, 2020, (the "Cut-Off Date") may cast their vote electronically, and the e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the Member, he shall not be allowed to change it subsequently.
20. Only those shareholders of the Company who are holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. Tuesday, 22nd September, 2020), shall be entitled to cast their vote either through remote e-voting or through venue voting through VC/OAVM at the AGM, as the case may be. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
21. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
22. The Members who have cast their vote by remote-evoting prior to the AGM may also attend / participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again. Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM.
23. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
- i. For Physical shareholders please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id. at investorrelations@shardamotor.com or rtal@alankit.com / lalitap@alankit.com
 - ii. For Demat shareholders, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.
 - iii. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.
24. **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
- a. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
 - b. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
 - c. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - e. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
 - f. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
25. **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**
- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
 - ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e- Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
 - iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
 - iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

26. Shri Vineek K Chaudhary, Managing Partner (Membership No. FCS 5327) and failing of him Shri Mohit K Dixit, Partner, (Membership No. 49021), of M/s. VKC & Associates, New Delhi, Practicing Company Secretaries, having consented to act as a scrutinizer, has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
27. The results of the voting on resolutions shall be declared by the Chairman / Co-Chairperson or any other person authorised by him/her in writing after the AGM within the prescribed time limits. The results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. www.shardamotor.com and will also be available on the website of CDSL i.e. www.cdslindia.com and will be communicated to the stock exchanges, where the shares of the Company are listed.
28. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

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

As required under Listing Regulations and Secretarial Standard-2, the particulars of Directors who are proposed to be appointed / re-appointed, during the year under review are furnished below:

Particulars	Shri Sharda Relan	Smt. Sarita Dhuper	Shri Ashok Kumar Bhattacharya
Date of Birth (as on date)	11 th August, 1935 (84 Years)	2 nd July, 1961 (58 Years)	14 th February, 1946 (74 Years)
Nationality	Indian	Non-Resident Indian (NRI)	Indian
DIN:	00252181	08776286	02804551
Date of First Appointment on the Board of the Company	29 th January, 1986	29 th June, 2020	28 th October, 2009
Qualification	Graduate	M.B.B.S & Masters in Medicine (MD)	M. Sc., Physical Chemistry (Indian Institute of Technology, Kharagpur) and Ph.D from Churchill College, University of Cambridge
Experience, Expertise & other details	She has an overall experience of 34 years in the field of Business Management and other details are mention in brief profile in the Explanatory Statement of this Notice	Enclosed in Explanatory Statement	He has an overall experience of 49 years in the field of Research in Process Engineering, Physics and Chemistry of Solids and their Surfaces and other details are mention in brief profile in the Explanatory Statement of this Notice
Brief profile	She holds Bachelors Degree in Arts and has an overall experience of 34 years in the field of Business Management. She has been taking effectively participating in the Decisions activities of the Company and her engagement with Stakeholders since inception of the Company gives her rich experience, expertise to the Company.	Enclosed in Explanatory Statement	Mentioned in the Explanatory Statement
Shareholding in the Company	NIL	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	1. Ajay Relan (Son) 2. Rohit Relan (Son)	None	None
Remuneration received from the Company in the financial year 2019-20.	Remuneration : Rs. 3.86 Crores	NA	Sitting fees : 4.40 Lakhs
Number of meetings of the Board held and attended during the financial year 2018-19	Board Meeting: Held: 6 Attended: 6	NA	Board Meeting: Held: 6 Attended: 6

Directorships held in other entities in India (including this listed entity)	1. Directorship: 5 Companies: <ul style="list-style-type: none"> Sharda Motor Industries Limited (SMIL) Bharat Seats Limited Relan Industrial Finance Limited Sharda Auto Solutions Private Limited NDR Auto Components Limited 	Directorship :1 <ul style="list-style-type: none"> Sharda Motor Industries Limited 	Directorship :2 <ul style="list-style-type: none"> Sharda Motor Industries Limited NDR Auto Components Limited
Chairman/ Member of Committee of the Board of listed entities in which they are director	Chairmanship of Committee(s): 1 <ul style="list-style-type: none"> SMIL - Corporate Social Responsibility Committee (CSR) Committee Membership: 3 Companies: <ul style="list-style-type: none"> SMIL-Stakeholders Relationship Committee SMIL-Audit Committee SMIL- CSR 	NIL	Sharda Motor Industries Limited <ul style="list-style-type: none"> Audit Committee (Member) Nomination and Remuneration Committee (Member)

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

Item No. 3

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee in pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Smt. Sarita Dhuper (DIN: 08776286) as an Additional Director, designated as Independent Director on the Board of the Company w.e.f. 29th June, 2020 for a term of upto five consecutive years, subject to approval of the Members.

According to the provisions of Section 161(1) of the Act, Smt. Sarita Dhuper to hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director.

The Company has received declarations from Smt. Sarita Dhuper to the effect that she is willing to be appointed/ re-appointed or continue as Director of the Company and that she also meets the criteria for independence as provided in Section 149 of the Act along with the rules framed thereunder and SEBI Listing Regulations and has submitted declaration to that effect that she is eligible for appointment as an Non-Executive Independent Director and is / was not disqualified / debarred from being appointed / re-appointed or continuing as Director of the Company by the virtue of any Order passed by the SEBI, Ministry of Corporate Affairs or any such Statutory Authority. Further she is also independent of the management of the Company.

Brief profile of Smt. Sarita Dhuper as under:

Name	: Sarita Dhuper
Age	: 58 Years
Sex	: Female
Date of Birth	: 02.07.1961
Father's Name	: Late Shri Jitender Nath Gupta
Education Qualification	: MBBS/ MD (Year 1984), FAAC & FAAP
Total Experience	: Appox. 35 Years

Smt. Sarita Dhuper did her Bachelor of Medicine & Bachelor of Surgery (MBBS) & Doctorate in Medicine (MD) from Maulana Azad Medical School, Delhi University, India in year 1984. In Year 1985, she started her career in field of Medicine and Pediatrics & obstetrics/ Gynecology from LNJP & GB Pant Hospital, Delhi University, India for period of 2 years (One year as Internship & Resident Training). Thereafter she moved to United States of America (USA) and started her career in year 1987 as Research Associate of Nephrology & Endocrinology with University of Medicine & Dentistry of New Jersey, Newark, New Jersey.

In Year 1988, she joined St. Luke's Roosevelt, Columbia University, New York City (NYC) and worked as Research Associate, Pediatric Resident and Chief Resident in the field of Pediatrics & obstetrics/ Gynecology, during her term of approx. 4 years. Thereafter in year 1992, she joined NY Hospital – Cornell University Medical Center & Memorial Sloan Kettering Hospital, NYC at the designation of Cardiology Fellow in the field of Pediatric Cardiology and served for a period of 5 years.

Besides working with Memorial Sloan Kettering Hospital, NYC, in year 1995, Smt. Sarita Dhuper joined Brookdale University Hospital and Medical Center, Brooklyn, NY as Director in the Division of Pediatric Cardiology. During her tenure of service till 2017, she was

awarded as “Attending of the Year, Pediatrics” for 6 times and in year 2006, she was awarded for “38th Annual Citizens’ Recognition Awards by Flatbush YMCA for dedication and commitment to improving the health of children in Brooklyn” and “Phenomenal Woman Service Award by Flatbush YMCA – in recognition for Outstanding Community Service”.

She was also honored with “SUNY Downstate Medical Center – The residents and Fellows Alumni Society -2007 Faculty Honoree for Pediatrics” and with “Young Culinary Masters - LLLR Service Recognition Award” in year 2007 and with “City Council of New York citation for outstanding Citizen in NYC” In year 2008.

At present, Smt. Sarita Dhuper is associated with “Children’s’ Hospital at SUNY Downstate” in the field of Pediatric Cardiology as Director, “SUNY Health Science Center at Brooklyn, NYC” as clinical Associate Professor in the field of Pediatric apart from the Private Practice Cardiology and obesity, Eastern Parkway , Brooklyn New York. She is also the Founder and Executive Director of ‘Live Light Live Right’ – Community based Childhood Obesity Program.

She also holds various Memberships in USA, few of them are Fellow of the American Academy of Pediatrics (FAAP), Fellow of the American College of Cardiologists (FAAC), Member American Society of Echocardiography, New York Society of Pediatrics Cardiology, Member- Council on Cardiovascular Disease in the Young (AHA), American Heart Association (AHA): Professional Member, Member – Council on Nutrition , Physical Activity & Metabolism(AHA). etc.

Smt. Sarita Dhuper has been Special Invitees for several Institutions and few are “Mentor for MPH and DrPH students from Suny Downstate and Rutgers University”, “Created a Bariatric program for youth in affiliation with Brooklyn Hospital and Flushing Hospital”, “Organized and Coordinated a Seminar ‘Healing Power of Food’ in June 2016, Created Live Light Live Right a Childhood Obesity treatment model which is now a 5013C organization. etc.

Smt. Sarita Dhuper has been Invited Speaker on Obesity / Cardiology at various forum, Institution, Universities or colleges but few of them are “Diabetes Symposium, Brooklyn NY November 2018 invited speaker”, Flushing Hospital Bariatric Surgery Conference invited speaker May 2018”, “Invited member of Health first Care for Children Advisory Workgroup to focus on addressing health outcomes and promoting wellness for children in Bed-Stuyvesant and Flatbush”, Brooklyn Insights - Invited Leader at Round table discussion organized by the Brooklyn Community Foundation”, “GNYHA (Greater NY Hospital Association) Invited speaker to discuss evidence based obesity programs”, “Woodhull Hospital grand rounds”, “Woodhull Hospital grand rounds”, “Greater Southern Brooklyn Health Coalition”, “New York State Childhood Obesity Prevention Summit”, “Cornell Cooperative Extension Steering Committee meeting”. etc.

Apart from above, Smt. Sarita Dhuper also been one of the member to wrote down the several Articles on health, hygiene, Medicine, diseases and few of them are “A real-world evaluation of a tertiary care childhood obesity intervention to reduce metabolic risk in a hard-to-reach urban population”, “Ethnic Differences in Lipid Profiles of Overweight, Obese, and Severely Obese Children and Adolescents 6-19 Years of Age”, “Designing a Group Therapy Program for Coping with Childhood Weight Bias”, “Managing Cardiovascular Risk in Overweight Children and Adolescents” Pediatric Drugs, 2013”, “Obesity and the Dual Diagnosis Child: Exploring the Dynamics of Comorbid Psychiatric Disorders”, “In Utero Diagnosis of Agenesis of the Ductus Arteriosus in a Twin Pregnancy: An Unusual Case Presentation”. etc.

Keeping in view of the above and based on her expertise, job profile and on the recommendation of Nomination and Remuneration Committee, and considering his background, rich experience, expertise and contribution made to the Company, the Company will be benefited immensely through his association. The Board of Directors of the Company is of the opinion that Smt. Sarita Dhuper is a person of integrity and has relevant experience and expertise for him to be appointed as Independent Director.

Therefore Board of Directors of the Company recommends her Appointment as Non-executive Independent Director on the Board of the Company for a term of upto five consecutive years.

Except Smt. Sarita Dhuper herself, none of the (i) other Directors, (ii) Key Managerial Personnel, (iii) relatives of the persons mentioned in (i) and (ii), are concerned or interested, financial or otherwise in the proposed resolution.

The Board recommends this resolution as set forth in the Notice as Item No. 3 (being Special Business), be passed as an Ordinary Resolution for consideration and approval of the shareholders.

Item No. 4

The Securities and Exchange Board of India (SEBI) has made amendments in the Listing Obligations and Disclosure Requirements (‘LODR’) Regulations on 9th May, 2018.

Accordingly, Under Regulation 17 - Board of Directors, sub-regulation (1A) was inserted newly as (with effect from 1st April, 2019):

“No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a Special Resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person”

Prof. Ashok Kumar Bhattacharya, Non-Executive Independent Director, aged more than 74 years and was re-appointed for a second term as Non-Executive Independent Director on the Board of the Company vide. Resolution passed by the Shareholders of the Company via. Postal Ballot dated 27th May, 2019. Therefore his continuation of Directorship as a Non-Executive Independent Director requires the approval of members by way of a Special Resolution from next year, pursuant to Regulation 17(1A) of the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

Since he was re-appointed as Non-Executive Independent Director on the Board of Company for a second term of five consecutive years commencing from 3rd September, 2019 for a period of 5 years and holds the office as Director till 2nd September, 2024. His active involvement and participation in the Meetings of the Board and Audit Committee and in the Nominations and Remuneration Committee as Member has helped the Company to ensure the effective compliance.

His status as member of the Board, Audit Committee and Member of Nominations and Remuneration Committee has been instrumental for effective communication to the Board of Directors in the decisions of the Company and through his diversified experience as provided above the Company will be benefited immensely through his association, his extensive experience and expertise accumulated during his career will enable him to provide a wide range of advice on the Company's business management and appropriate oversight of implementation of strategy.

Therefore in view of the above it is felt desirable for the Company to continue him as Director with his existing Designation and based on his Report of Performance Evaluation and On the recommendation of Nomination & Remuneration Committee (considering his background, experience and contribution made to the Company), the Board of Directors of the Company, at its meeting held on 29th June, 2020 has considered and approved the continuation of the appointment of Prof. Ashok Kumar Bhattacharya as Non-Executive Independent Director on the Board of Company for a second term of five consecutive years commencing from 3rd September, 2019 and holds the office as Director till 2nd September, 2024, subject to the approval of Shareholders of the Company on his attaining the age of 75 years or more.

Brief profile of Prof. Ashok Kumar Bhattacharya as under:

Prof. Ashok Kumar Bhattacharya holds a degree in BSc (Hons), Chemistry, MSc., Physical Chemistry, from Indian Institute of Technology, Kharagpur and Ph.D from Churchill College, University of Cambridge. He has over 40 years of experience in the field of Research in Process Engineering, Physics and Chemistry of Solids and their Surfaces. He has been associated with Process Technology Group, School of Engineering, the University of Warwick as Lecturer, Reader and Director and with University of East Anglia as Senior Research Fellow. Presently he is associated with Engineering Sciences, Department of Engineering, University of Oxford as a Professor. Co-opted as director of the Company on 28th October, 2009 and He was also Co-opted as Member of the Nomination and Remuneration Committee and Audit Committee of the Board of Directors of the Company.

The Company has received declarations from Prof. Ashok Kumar Bhattacharya to the effect that he is willing to be appointed/ re-appointed or continue as Director of the Company and that he meets the criteria for independence as provided in Section 149 of the Act along with the rules framed thereunder and SEBI Listing Regulations and has submitted declaration to that effect that he is eligible for appointment as an Non-Executive Independent Director and is / was not disqualified / debarred from being appointed / re-appointed or continuing as Director of the Company by the virtue of any Order passed by the SEBI, Ministry of Corporate Affairs or any such Statutory Authority. Further he is also independent of the management of the Company.

The Board recommends the Resolutions as set forth in the Notice as Item No. 4 (being Special Business), be passed as Special Resolution for the consideration and approval of the shareholders.

Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives:

Except Prof. Ashok kumar Bhattacharya none of the (i) other Directors, (ii) Key Managerial Personnel, (iii) relatives of the persons mentioned in (i) and (ii), are concerned or interested, financial or otherwise in the proposed resolution.

Item No. 5

The Board of Directors of the Company at its Meeting held on 29th June, 2020 and on the recommendation of the Audit Committee, have considered and approved the Appointment and Remuneration of M/s Gurdeep Singh & Associates, as Cost Auditors of the Company to conduct the Audit of Cost Records of the specified products (i.e. Accessories of Air conditioners, Parts of house hold & others and all types of Generator Parts) at a remuneration of Rs. 100,000 (Rupees One Lakh) plus applicable tax as applicable and other out-of pocket expenses for the financial year 2020-21. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2020-21 by way of an ordinary resolution is being sought from the members as set out at item no.5 of the Notice.

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

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

Item No. 6

As per the provisions of Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt, to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. However, in order to promote ease of doing business, the entire Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on 7th May, 2018.

In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement. The management is of the view that the Company may be required to invest funds, in its including its subsidiary / Joint Venture / Associates Companies) from time to time, in compliance with the applicable provisions of the Act and in which the Directors of the Company are interested, as and when required. Hence, as an abundant caution, the Board decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any letter of comfort or loan including any letter of comfort or loan represented by

a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company or other body corporate(s) in whom any of the Directors of the Company is interested or to give guarantee or provide any security in connection with any loans/ debentures / bonds etc. raised by its subsidiary company(ies) (Indian or overseas) or other body corporate(s) in whom any of the Directors of the Company is interested for an amount of upto Rs. 150 Crores, in aggregate.

The Board of Directors recommends resolution as set out in item No. 6 for approval of the members of the Company by way of passing a Special Resolution

Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives:

Except Shri Ajay Relam, Shri Rohit Relan and Smt. Sharda Relan, none of the (i) other Directors, (ii) Key Managerial Personnel, (iii) relatives of the persons mentioned in (i) and (ii), are concerned or interested, financial or otherwise in the proposed resolution.

The Board has recommended the above special resolution for your approval.

By Order of the Board
For SHARDA MOTOR INDUSTRIES LTD.

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

Date : 29th June, 2020
Place : New Delhi

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Fifth (35) Directors' Report on the business and operations of the Company together with the financial statements for the financial year ended on 31st March, 2020.

FINANCIAL SUMMARY

(Rs. in Lakhs)

Particular	Standalone		Consolidated	
	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Revenue from operations	86,298.81	113,987.27	86,298.81	113,987.27
Other Income	2,373.27	2,197.71	2,373.27	2,103.96
Total Revenue	88,672.08	116,184.98	88,672.08	116,091.23
Profit before Financial Charges, Depreciation	11,961.63	16,730.72	11,961.63	16,636.19
Less : Financial Costs	92.82	4.59	92.82	4.59
Profit before Depreciation, Exceptional Items & Taxes	11,868.81	16,726.13	11,868.81	16,631.60
A. Depreciation	4,021.28	4,096.83	4,021.28	4,096.83
B. Exceptional items	-	-	-	-
Taxation				
– Current Tax	2,456.00	4,022.65	2,456.00	4,022.65
– Deferred Tax Charged/ (Released)	(383.83)	(179.39)	(383.83)	(179.39)
Profit for the year before share of profit/(loss) of associates and joint venture	5,775.36	8,786.04	5,775.36	8,691.51
Share of profit/(loss) of associates (net of tax)	-	-	46.55	674.24
Share of profit/(loss) of Joint venture (net of tax)	-	-	(583.13)	99.78
Profit for the year	5,775.36	8,786.04	5,238.78	9,465.53
Other comprehensive income	(9.53)	(11.96)	(9.53)	(7.05)
Add: Profit brought forward from Previous year	22,208.07	13,882.25	25,842.09	16,831.87
Less: Adjustments pursuant to scheme of arrangement (Demerger)	(12,871.71)	-	(16,234.59)	-
Profit available for appropriation	15,102.19	22,656.33	14,836.75	26,290.35
APPROPRIATIONS				
Dividend	-	371.65	-	371.65
Tax on Dividend	-	76.61	-	76.61
Interim Dividend	-	-	-	-
Tax on Interim Dividend	-	-	-	-
Transferred to General Reserves	-	-	-	-
Balance carried forward to Balance Sheet	15,102.19	22,208.07	14,836.75	25,842.09
Paid-up equity share capital (Face value of Rs. 10/- each)	594.63	594.63	594.63	594.63

OPERATIONAL PERFORMANCE
Consolidated performance

During the year under review, the total revenue from operations and other income was Rs. 88,672.08/- Lakhs as against Rs. 116,091.23/- Lakhs of previous year. Profit before taxation was Rs.7,847.53/- Lakhs as against Rs. 12,534.77/- Lakhs of previous year (i.e. Decreased by approx. 37.39 %) during the year whereas the finance cost has been increased to Rs. 92.82/- Lakhs from Rs. 4.59/- Lakhs. Net Profit after taxes of the company has Decreased by approx. 33.55% year on year basis.

Standalone performance

During the year under review, the total revenue from operations and other income was Rs. 88,672.08/- Lakhs as against Rs. 1,16,184.98/- Lakhs of previous year. Profit before taxation was Rs.7,847.53/- Lakhs as against Rs.12,629.30/- Lakhs of previous year (i.e. Decreased by approx 37.86%) during the year and finance cost has been increased to Rs. 92.82/- Lakhs from Rs.4.59 Lakhs. Net Profit after taxes of the company has Decreased by approx 34.27% year on year basis.

CHANGE IN THE NATURE OF BUSINESS

During the year under review; the company has not changed the nature of its Business.

SHARE CAPITAL

During the year under review. There is no change in the capital structure of the Company.

DEMERGER

The scheme of Arrangement (in pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 [Act/ Rules]) between Sharda Motor Industries Limited ("SMIL") and NDR Auto Components Limited ("NACL") and their respective Shareholders and Creditor ("Scheme") with effect from 31st December, 2018 (appointed date) to demerge the Seating Business Undertakings of the Company was filed with the Securities & Exchange Board of India ("SEBI") / (National Stock Exchange of India Limited & BSE Limited) Stock Exchange(s) for seeking "No Objection" on the Scheme filed under Regulation 37 of the Listing Regulations, considering which the SEBI approved the same and issued No Objection/ Observation letter on 19th August, 2019.

The Company in compliance with Act and Rules applicable thereunder filed an application along with Scheme with the Hon'ble National Company Law Tribunal, Delhi Bench ("NCLT") on 16th September 2019 for the purpose of seeking the necessary directions. Thereafter, the Hon'ble NCLT heard the matter on 24th September 2019 and passed an Order on 10th October 2019 for convening the Meeting of Equity Shareholders & Unsecured Creditors of the Company and obtaining the approvals from Creditors & Shareholders of the Company. Thereafter obtaining the said approvals, the Company subsequently filed second motion application for seeking necessary approvals before the Hon'ble NCLT on 27th November, 2019. Thereafter the NCLT vide. Its Order dated 20th February 2020 approved the Scheme of Arrangement between the Company and NDR Auto Component Limited.

Post the approval of NCLT, all assets, rights, title, interests and investments of SMIL in relation to the Automobile Seating Undertaking (including investments by SMIL in Bharat Seats Limited, Toyota Boshoku Relan India Private Limited and Toyo Sharda India Private Limited) shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in NDR Auto Components Limited with effect from the Appointed Date.

Therefore to give effect to the Scheme of Arrangement, the NACL shall be listed at the Stock Exchanges where the shares of SMIL are listed.

DIVIDEND & RESERVES

Keeping in view of the capital investments in BS VI Technology and due to prevalent downturn in Automobile Industry amid the outbreak of COVID-19, the Board of Directors of the Company has recommended "NIL" dividend for the Financial Year 2019-20.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The existing composition of the Board is fully in conformity with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

During the year under review, the shareholders of the Company at its 34th Annual General Meeting has accorded their consent for the appointment of Shri Udyan Banerjee as an Non-Executive Independent Director on the Board of the Company to hold office for a term upto 31st December, 2021 and also approved the Appointment of Shri Nitin Vishnoi under the category of Whole-Time Director for a period of 5 (Five) consecutive years with effect from 3rd September, 2019 and Director liable to retire by rotation also pursuant to section 152 of the Companies Act, 2013, Shri Rohit Relan, Director liable to retire by rotation was also re-appointed as Non-Executive Director of the Company at its 34 Annual General Meeting.

The Shareholders of the Company (by means of Postal Ballot dated 27th May, 2019) has approved the Re-appointment of Shri Kishan Nagin Parikh & Shri Ashok Kumar Bhattacharya as Independent Directors of the Company for a second term of five consecutive years commencing with effect from 3rd September, 2019 to 2nd September, 2024 and the result on the same was declared on 17th July, 2019.

Pursuant to the requirement of Regulation 17 (1A) of the Listing Regulations and other applicable provisions, if any, has mandated that the no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed by members of the company to that effect. Accordingly the approval for Prof. Ashok Kumar Bhattacharya (DIN: 02804551) (aged about 74 years) who was re-appointed as Non-Executive Independent Director on the Board of Company for a second term of five consecutive years commencing from 3rd September, 2019 to hold the office as Director till 2nd September, 2024, is sought from the Shareholders of the Company at this 35th AGM.

Further in pursuant to section 152 of the Companies Act, 2013, the Board of Directors of the Company at its Meeting held on 29th June, 2020 has considered and recommended the appointment of Smt. Sharda Relan (DIN: 00252181) director of the Company, is liable to retire by rotation at this 35th Annual General Meeting, considering that, being eligible she offers herself for re-appointment.

Pursuant to Regulation Regulation 17(1) of Listing Regulations and Section 149, 152, 161 & other applicable provisions of the Companies Act, 2013, on the recommendation of Nomination and Remuneration Committee the Board of Directors of the Company at its meeting held on 29th June, 2020, has appointed Smt. Sarita Dhuper, as Additional Director, designated as Non-Executive Independent Director on the Board of the Company with effect from 29th June, 2020 for a term of five consecutive years, subject to the approval of members i.e. proposed before this Annual General Meeting.

Shri Bireswar Mitra, Whole Time Director of the Company vide. its Letter dated 12th August, 2019 has tendered his resignation from the Directorship of the Company with effect from the closing of business hours of 2nd September, 2019, due to personal reasons and health issues.

Further due to enhanced professional engagements, Shir Ajay Relan, Managing Director and CEO has step down from the office of Chief Executive Officer (CEO) and Shri Aashim Relan has been promoted from his designation of Chief Operating Officer to Chief Executive Officer with effect from 12th November, 2019. However Shir Ajay Relan, Managing Director shall continue to remain at the position of designated Key Managerial Personnel under the provision of section 203 of the Companies Act 2013 and Rules made thereunder.

A brief profile of the above mentioned directors seeking appointment / re-appointment at the ensuing Annual General Meeting (AGM) of the Company has been provided in the Explanatory Statement of the Notice of this AGM.

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

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

NUMBER OF MEETINGS OF THE BOARD

Number of Board and committee meetings including the date of the meeting and attendance thereof by each director during the year is given in Report on Corporate Governance that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

BOARD LEVEL PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations and other applicable provisions, if any. The Board of Directors ("Board") at its meeting held on 29th June, 2020, carried out the performance evaluation of its own performance and that of its committees and individual directors.

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

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

The report of performance evaluation was then discussed and noted by the Board of Directors.

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

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

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

NOMINATION, REMUNERATION & EVALUATION POLICY

Pursuant to Section 134(3) read with 178 of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees is available on the Company's website at <http://www.shardamotor.com/wp-content/uploads/2018/08/NRC-policy.pdf>.

AUDIT COMMITTEE

Audit Committee comprises of five members out of which four are independent directors including Shri Kishan N Parikh, Independent Director, is the Chairperson of the Committee. Smt. Sharda Relan, Executive Director of the Company is also a Member of the Committee. All the members of committee have adequate financial & accounting knowledge and background. Detailed information regarding the number of committee meetings, terms of reference etc. are provided in the Corporate Governance Report forming part of this annual report. All recommendations of the Audit Committee, whenever made, were accepted by the Board during the financial year 2019-20.

AUDITORS

Secretarial Auditors & Auditors Reports

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, is any, the Board of Directors has appointed M/s.VKC & Associates, Company Secretaries in practice, bearing CP. No. 4548 as Secretarial Auditor of the Company, to conduct Secretarial Audit the Company for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith marked as Annexure I to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further the Board of Directors of the Company at its Meeting held on 29th June, 2020 has considered and approved the appointment of M/s.VKC & Associates, Company Secretaries in practice, bearing CP. No. 4548 as Secretarial Auditor of the Company for the financial year 2020-21.

Statutory Auditors & Auditors Reports

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

Further the Statutory Auditors have confirmed that they are not disqualified from being continued as Statutory Auditors of the Company in terms of the provisions of Section 139(1), Section 141(2) and Section 141(3) of the Act and the other applicable provisions of the Companies (Audit and Auditors) Rules, 2014. Pursuant to an amendment in Section 139 of the Companies Act, 2013, ratification of appointment of statutory Auditor is no more required at each Annual general Meeting ("AGM"), accordingly the same has not been taken up at this AGM.

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

Cost Auditors & Cost Audit Report

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and based on the recommendation of audit committee, the Board of Directors of the Company has appointed M/s. Gurdeep Singh & Associates (holding M.No. 9967) as Cost Auditors of the Company for conducting the cost audit for the Financial Year 2019-20, considering that the remuneration has also been approved by the members at the 34th Annual General Meeting. The Company has also received a letter

from Cost Auditors of the Company to the effect that their, appointment is within the limits prescribed as per the Companies Act, 2013 and are not disqualified from being appointed as Cost Auditors of the Company.

Further the Board of Directors of the Company at its Meeting held on 29th June, 2020 has considered and approved the appointment of M/s. Gurdeep Singh & Associates (holding M.No. 9967) as Cost Auditors of the Company for conducting the cost audit for the financial year 2020-21 subject to the ratification of remuneration by the members that has been placed before this 35th Annual General Meeting.

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

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your company has made donation of Rs. 16.16 Lakhs to Sharda CSR Foundation Trust ("Trust") which is a philanthropic arm of the Company. The Company has also undertaken several activities including the Distribution of School Bags and Stationary among School children for the promotion of education, other several projects and programmes based on the recommendation of the Corporate Social Responsibility Committee of the Company and such other activities.

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

Details of composition of Committee, no. of meetings, attendance at the meetings, are provided in the Corporate Governance Report forming part of this annual report. Corporate Social Responsibility Policy of the company is available on the website of the Company (www.shardamotor.com).

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

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure III to the Directors' Report. The Annual Report for period is available on website of the Company <http://www.shardamotor.com/investor-relations/notices-results/>

PARTICULARS OF EMPLOYEES

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

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

Further in pursuant to the Amendment in SEBI Listing Regulations 2018, the transactions of the Company with the following Persons: (belonging to the promoter/promoter group holding 10% or more shareholding in the Company) of:

- Ajay Relan (Promoter/ Managing Director) holding 32.41 % of Equity Shares in the Company
- Rohit Relan (Promoter / Director) holding 11.78% of Equity Shares in the Company
- Ritu Relan (Member of Promoter Group) holding 12.49 % of Equity Shares in the Company

are also provided in the Related Party Disclosures in Note No. 36 of Notes to Financial Statements for year ended March 31, 2020, forms part of this Annual Report.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

VIGIL MECHANISM

The Company has a vigil mechanism for directors and employees to report their genuine concerns. Vigil Mechanism / Whistle Blower policy is available on the Company's website www.shardamotor.com.

PUBLIC DEPOSITS

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

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

Except as disclosed in this report, there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

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

The Hon'ble National Company Law Tribunal ("NCLT") New Delhi vide its order dated 20th February, 2020, has approved the Scheme of Arrangement between Sharda Motor Industries Limited, ("Demerged Company") and The NDR Auto Components Limited ("Resulting Company") and their respective Shareholders ("Scheme") and Creditor with effect from the Appointed Date of 31st December, 2018 to demerge the Automobile Seating Undertakings of the Company, pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The above Scheme became effective on 16th March, 2020 being the date on which the e-Form INC-28 has been filed with the Registrar of Companies, NCT of Delhi and Haryana.

In the matter of Company Appeals (AT) NO. 332 & 378 OF 2018 had been disposed off by the Hon'ble National Company Law Appellate Tribunal, Delhi ('NCLAT') in light of Memorandum of Family Settlement ('MOFS') reached between parties.

The Company had also withdrawal the Company Petition CP No. 242 (ND)/2017 filed with the Hon'ble National Company Law Tribunal, Delhi ('NCLT') in the matter of M/s Sharda Motor Industries Ltd. Vs. M/s Toyo Sharda India Pvt Ltd. & Ors in light of Memorandum of Family Settlement ('MOFS') reached between parties.

However, No other material orders have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, consequent to the giving effect to the Scheme of Arrangement between Sharda Motor Industries Limited (Demerged company) and NDR Auto Components Limited (Resulting Company) as approved by The Hon'ble National Company Law Tribunal, Delhi Bench (NCLT), All assets, rights, title, interests and investments of the Company in the Bharat Seats Limited, Toyota Boshoku Relan India Private Limited and Toyo Sharda India Private Limited was transferred / vested in NDR Auto Components Limited with effect from Appointed date and accordingly, ceases to be Associate Company(ies).

During the year under review "Exhaust Technology Private Limited, has become the Joint venture Company.

Except of above mentioned no other company has become or ceased to be a subsidiary, associate or joint venture of the Company during the year.

Financial performance for the FY 2019-20 of the Associates and Joint Venture Companies are disclosed in the financial statements which forms part of this annual report. A statement in form AOC-1, containing the salient features of the financial statements of the subsidiary, joint ventures and associate companies is provided as Annexure VIII.

RISK ASSESSMENT AND RISK MINIMIZATION PROCEDURE

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

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

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

The Company has put in place a 'Policy on redressal of Sexual Harassment at Work Place' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his / her complaint to the Redressal Committee / Internal Complaints Committee, constituted with duly compliance under the Sexual Harassment Act, for this purpose to their Manager or HR personnel. We affirm that adequate access has been provided to any complainant who wished to register a complaint under the policy, but no complaint was received / filed by any person during the year under review and no complaint is pending to be resolved as at the end of the year.

BUSINESS RESPONSIBILITY REPORT

In pursuant to the amended in Regulation 34(2)(f) of the SEBI Listing Obligations and Disclosure Requirements ('LODR') (Fifth Amendment) Regulations, 2019 which become effective from 26th December, 2019, has mandated that the Top 1000 Listed Entities based on the Market Capitalisation are required to include Business Responsibility Report in its Annual Report. Since the Company falls within the bracket of Top 1000 Listed Entities based on the Market Capitalisation.

Therefore the Business Responsibility Report detailing the various initiatives taken by the Company on the environmental, social and governance and various other factors forms an integral part of Annual Report as Annexure X.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) Appropriate accounting policies have been selected and applied consistently and judgment and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2020 and of the profit and loss of the company for the year ended on that date;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

SECRETARIAL STANDARDS

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

IMPACT OF COVID-19 PANDEMIC

The World Health Organization (WHO) on March 11, 2020, has declared the novel coronavirus (COVID-19) outbreak a global pandemic. The COVID-19 Pandemic has adversely affected to the business and industrial activity and caused extraordinary economic

disruption in worldwide. The Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government and local bodies, from time to time, to ensure safety of workforce across all its plants and offices.

The Company's manufacturing facilities remained largely shut from 23rd March, 2020 to 7th May, 2020 as per the directive of the Government/ Authorities and on 8th May, 2020, the Company has resumed its operations at manufacturing facilities in a partial manner, after obtaining necessary permission from respective and appropriate authorities.

The company has always prioritized health, safety and well-being of its employees, their families, and other stakeholders. The company has put in place a robust protocol for ensuring workplace safety including sanitization and social distancing norms and shall continue to strengthen it further, based on the Government of India recommendations. Management is putting its sincere efforts to re-gain the situation of February and March month. After obtaining necessary permissions the company is running its plant and trying get back to its normal situation.

The Company is also adhering to the guidelines as specified by the State Government / Central Government and complying with all safety measures to safeguard its employees from COVID-19 Pandemic disease.

ACKNOWLEDGEMENT

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

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

Your Directors also would like to thank all the shareholders for their continued support & co-operation.

Sharda Motor Industries Limited
On behalf of the Board of Directors

Date : 29th June, 2020
Place : New Delhi

Sharda Relan
Co-Chairperson
(DIN:00252181)

Ajay Relan
Managing Director
(DIN:00257584)

ANNEXURE I**FORM No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED
MARCH 31, 2020**

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

To

The Members,

SHARDA MOTOR INDUSTRIES LIMITED

CIN: L74899DL1986PLC023202

Registered Office Address: - D-188, Okhla Industrial Area

Phase-I, New Delhi-110020, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHARDA MOTOR INDUSTRIES LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2020 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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable**
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; -**Not Applicable**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008; - **Not Applicable**
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; **Not Applicable**
 - (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018; - **Not Applicable**
- (vi) The Company has identified following laws applicable specifically to the Company and we have relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made under following laws:
 - 1. The Industrial (Development and Regulation) Act, 1951;
 - 2. The Factories Act, 1948 & Central Rules or concerned State Rules, made thereunder;
 - 3. The Environment (Protection) Act, 1986;
 - 4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned state rules;
 - 5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned state rules;

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

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

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

We further report that:

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

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

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

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

We further report that during the audit period the Company has following specific event/action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines etc. as informed by the Management:

During the period under review,

- i. The Company Appeals (AT) NO. 332 of 2018 [filed by the Company & others for seeking the interim relief over the Order of the Hon'ble National Company Law Tribunal, Delhi Bench (NCLT)] & 378 of 2018 [filed by Rohit Relan & Others interim relief over the Order of the Hon'ble National Company Law Appellate Tribunal, Delhi Bench (NCLAT)] had been disposed off by the Hon'ble National Company Law Appellate Tribunal, Delhi ('NCLAT') in light of Memorandum of Family Settlement ("MOFS") reached between parties.
- ii. The Company had withdrawn the Company Petition CP No. 242 (ND)/2017 filed with the Hon'ble National Company Law Tribunal Delhi Bench ("NCLT") in the matter of M/s Sharda Motor Industries Ltd. Vs. M/s Toyo Sharda India Pvt Ltd. & Ors in light of Memorandum of Family Settlement ("MOFS") reached between parties and the Hon'ble National Company Law Tribunal, Delhi Bench ('NCLT') at the hearing held on 7th August, 2019, passed the Order in this regard.
- iii. The Company has entered into the Joint Venture (JV) Agreement in ratio of 50:50 with Eberspaecher Exhaust Technology International GmbH (EET) of Germany for Business Development of BS VI Norms in Commercial Vehicle segment in India. Further, the Board has nominated Mr. Vivek Bhatia, Chief Financial Officer and Mr. Ajay Relan, Managing Director and Mr. Aashim Relan, Chief Executive Officer of the Company as Director on behalf of Sharda Motor Industries Limited to the Board of the Exhaust Technology Private Limited (Joint Venture Company)
- iv. The Board of the Company has approved a Scheme of Arrangement through Demerger on April 5, 2019 between the Company and NDR Auto Components Limited (Wholly Owned Subsidiary) and their respective stakeholders under Section 230 to 232 of Companies Act, 2013 and any other applicable provisions as may be applicable, to demerge the Automobile Seating Business (including equity investments in Bharat Seats Limited, Toyota Boshoku Relan India Private Limited and Toyo Sharda India Private Limited) to NDR Auto Components Limited subject requisite approval(s).

Further the Company also filed application to the SEBI / Stock Exchanges for seeking their approval on the Scheme of Arrangement under Regulation 37 of the Listing Regulations and the No Objection over the approval of the same was received on 19th August, 2019. Thereafter Company filed an application along with the Scheme of Arrangement with the Hon'ble National Company Law Tribunal (NCLT) on 16th September 2019 for the purpose of seeking the necessary directions. Accordingly, the Hon'ble NCLT heard the matter on 24th September 2019 and passed an Order on 10th October 2019 for convening the shareholder directing the convening of the Meeting of Equity Shareholders & Unsecured Creditors of the Company. Subsequently, the Company moved second motion before the Hon'ble NCLT on 27th November, 2019, thereafter the Scheme of Arrangement between the Company and NDR Auto Component Limited (Resultant Company) was been approved by the Hon'ble NCLT, Delhi vide its Order dated 20th February 2020.

For VKC & Associates
(Company Secretaries)

CS Mohit K Dixit
Partner

Membership. No 49021

C.P. No - 17827

UDIN:A049021B000390219

June 29, 2020
New Delhi

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

To

The Members,

SHARDA MOTOR INDUSTRIES LIMITED

CIN: L74899DL1986PLC023202

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

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. However, due to nationwide lockdown to fight COVID-19, some of the documents and records mentioned above have been received via electronic means and as such, could not be verified from the original's thereof The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the company for certain areas which otherwise requires physical verification.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. 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 VKC & Associates
(Company Secretaries)**

**CS Mohit K Dixit
Partner
Membership. No 49021
C.P. No - 17827
UDIN:A049021B000390219**

June 29, 2020

New Delhi

ANNEXURE II
ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including over view of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company has adopted a strategy whereby certain long term programmes would be undertaken by the Company for the social and economic welfare and also to undertake certain Long term Programmes in alignment with Schedule VII of the Act, particularly focusing on promotion of education and child healthcare.

Visit <http://www.shardamotor.com/investor-relations> for more details related to our CSR policy.

2. The Composition of the CSR Committee:

Members of the committee as on 31st March, 2020:

- i. Shri Sharda Relan (Chairperson of the Committee)
- ii. Shri Kishan N. Parikh
- iii. Shri Ajay Relan
- iv. Shri Satinder Kumar Lambah

3. Average net profit of the company for last three financial years

Rs. 10,450.41 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

Rs.209.01 Lakhs

5. Details of CSR spent during the financial year:

- a) Total Amount to be spent for the financial year: Rs. 16.16 Lakhs
- b) Amount unspent: Rs. 192.85 Lakhs
- c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (1) Overheads	Cumulative expenditure upto the reporting period	Amount spent. Direct or through implementing agency
1	Sharda Motor Industries Limited For promoting Healthcare and Education	Donation to Sharda CSR Foundation Trust for promoting Healthcare and Education	In all the manufacturing units of the Company in India	16.16 Lakhs	16.16 Lakhs	16.16 Lakhs	Direct

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

During the financial year 2019-20, the Company expanded its compass of activities and undertook various projects/ programmes for the benefit of the society at large. However certain planned projects of capital nature carrying large amount of expenditure could not be executed due to regulatory and technical hassle, which became the primere as on that the company could not spent the entire planned amount during the year. As decided earlier, the Company shall kept its focus in the area of healthcare and education with respect to CSR activities through blood donation camps, distribution of school bags and stationary among the Childrens in Schools to drive them as motivation for Education drives and other general healthcare and medical facilities in various parts of the country through the development of infrastructure and sanitation in the low income government schools. Apart from these two core areas the Company has also spent in the area of eradicating poverty etc. CSR Committee of the Company has also recommended long term projects or programmes to be carried out in the coming years, which will impact the larger section of the society through sustainable means.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

CSR Committee of the Company certifies that all the CSR expenditure. Programmes are line with the objectives as set in the CSR policy of the Company.

Ajay Relan
Managing Director
(DIN:00257584)

Sharda Relan
Chairperson of CSR Committee
(DIN:00252181)

ANNEXURE III
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L74899DL1986PLC023202
ii)	Registration Date	29/01/1986
iii)	Name of the Company	Sharda Motor Industries Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v)	Address of the Registered office and contact details	D-188, Okhla Industrial Area, Phase - I, New Delhi- 110020 Phone: +91- 11-47334100, Fax: +91-11-26811676 Email: investorrelations@shardamotor.com \ Website: www.shardamotor.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent if any	M/s. Alankit Assignments Ltd. Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi - 110055. Phone: 011-42541234, 23541234, Fax: (011) 42541967"

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main Products / Services	NIC code of the Product/ Service	% to Total Turnover of the Company
1	Motor vehicles parts such as suspension, silencer, exhaust pipes	29301	99.11%
2	Car seats frame and seats cover	29303	0.22%
3	Others	-	0.67%
	Total		100%

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	RELAN INDUSTRIAL FINANCE LIMITED Reg. off.: D-188, Okhla Industrial Area, Phase I, New Delhi -110020	U65923DL1987PLC026603	ASSOCIATE	47.12%	2(6)
2.	EXHAUST TECHNOLOGY PRIVATE LIMITED Reg. off.: D-188, Okhla Industrial Area, Phase I, New Delhi -110020	U29309DL2019PTC347616	ASSOCIATE	50.00%	2(6)

(i) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
Individuals/ Hindu Undivided Family	4352579	0	4352579	73.20	4352579	0	4352579	73.20	NIL
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	NIL
Bodies Corporate	0	0	0	0	0	0	0	0	NIL
Financial Institutions/ Banks	0	0	0	0	0	0	0	0	NIL
Sub Total(A)(1)	4352579	0	4352579	73.20	4352579	0	4352579	73.20	NIL
(2) Foreign									
Individuals (Non- Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	NIL
Bodies Corporate	0	0	0	0	0	0	0	0	NIL

Institutions	0	0	0	0	0	0	0	0	NIL
Any Others	0	0	0	0	0	0	0	0	NIL
Sub Total(A)(2)	0	0	0	0	0	0	0	0	NIL
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4352579	0	4352579	73.20	4352579	0	4352579	73.20	NIL
B. Public shareholding									
(1) Institutions									
Mutual Funds/ UTI	0	0	0	0	45437	0	45437	0.76	0.76
Financial Institutions / Banks	5496	0	5496	0.09	0	0	0	0	NIL
Central Government/ State Government(s)	7100	0	7100	0.11	7100	0	7100	0.11	NIL
Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
Insurance Companies	0	0	0	0	0	0	0	0	NIL
Foreign Institutional Investors/ Foreign Portfolio Investors	30742	0	30742	0.51	13623	0	13623	0.23	(0.28)
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	NIL
Sub-Total (B)(1)	43338	0	43338	0.73	66160	0	66160	1.11	(0.38)
(2) Non-institutions									
Bodies Corporate	277969	1850	279819	4.71	289866	1850	291716	4.91	0.20
Individuals									
Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	519228	62700	581928	9.79	505213	62700	567913	9.55	(0.24)
Individual - ii Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	630928	28247	659175	11.09	615072	21032	636104	10.70	(0.39)
Any Other									
NBFC	10	0	10	0.00	0	0	0	0	0.00
Clearing Members	1473	0	1473	0.02	2965	0	2965	0.05	0.03
NRI	28004	0	28004	0.47	28856	0	28856	0.49	0.02
Trusts	0	0	0	0	33	0	33	0.00	0.00
Sub-Total (B)(2)	145612	92797	1550409	26.08	1442005	85582	1527587	25.69	(0.39)
Total Public Shareholding (B)=(B)(1)+(B)(2)	1500950	92797	1593747	26.79	1508165	85582	1593747	26.80	0.01
TOTAL (A)+(B)	5853529	92797	5946326	100.00	5860744	85582	5946326	100.00	100.00

IV. (ii) SHAREHOLDING OF PROMOTERS

S. N.	Name of the Promoter	Shareholding at the beginning of the year i.e. 01.04.2019			Shareholding at the end of the year i.e 31.03.2020			% Change in Share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Ajay Relan	1927219	32.41	0	1927219	32.41	0	-
2	Ritu Relan	742520	12.49	0	742520	12.49	0	-
3	Mala Relan	520826	8.76	0	520826	8.76	0	-
4	Rohit Relan	428818	7.21	0	700268	11.78	0	4.57
5	Aashim Relan	304440	5.12	0	304440	5.12	0	-
6	Rishabh Relan	121433	2.04	0	2933	0.05	0	(1.99)
7	Pranav Relan	92265	1.55	0	3315	0.06	0	(1.49)
8	Ayush Relan*	68421	1.15	0	4421	0.07	0	(1.09)
9	Rohit Relan (HUF)	44400	0.75	0	44400	0.75	0	-
10	Narinder Dev Relan (HUF)	30000	0.51	0	30000	0.51	0	-
11	Ajay Relan (HUF)	19200	0.32	0	19200	0.32	0	-
12	Ram Prakash Choudhary	600	0.01	0	600	0.01	0	-
13	Indira Choudhary	52437	0.88	0	52437	0.88	0	-
	TOTAL	4352579	73.20	0	4352579	73.20	0	-

IV (iii) CHANGE IN PROMOTERS' SHAREHOLDING

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2019)/end of the year (31/03/2020)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/Decrease	Reason	No. of shares	% of total share capital
1	Ajay Relan (HUF)	19200	0.32	1-Apr-19	-	No Transaction		
		19200	0.32	31-Mar-20			19200	0.32
2	Narinder Dev Relan (HUF)	30000	0.50	1-Apr-19	-	No Transaction		
		30000	0.50	31-Mar-20			30000	0.50
3	Rohit Relan (HUF)	44400	0.75	1-Apr-19	-	No Transaction		
		44400	0.75	31-Mar-20			44400	0.75
4	Rohit Relan	428818	7.21	1-Apr-19	-			
				27-Mar-20	271450	Inter-se transfer	700268	11.78
		700268	11.78	31-Mar-20			700268	11.78
5	Ritu Relan	742520	12.49	1-Apr-19	-	No Transaction		
		742520	12.49	31-Mar-20			742520	12.49
6	Ram Prakash Choudhary	600	0.01	1-Apr-19	-	No Transaction		
		600	0.01	31-Mar-20			600	0.01
7	Indira Choudhary	52437	0.88	1-Apr-19	-	No Transaction		
		52437	0.88	31-Mar-20			52437	0.88
8	Aashim Relan	304440	5.12	1-Apr-19	-	No Transaction		
		304440	5.12	31-Mar-20		-	304440	5.12
9	Mala Relan	520826	8.76	1-Apr-19	-	No Transaction		
		520826	8.76	31-Mar-20		-	520826	8.76
10	Pranav Relan	92265	1.55	1-Apr-19	-	-		
				27-Mar-20	88950	Inter -se transfer	3315	0.06
		3315	0.06	31-Mar-20	-	-	3315	0.06
11	Ayush Relan	68421	1.15	1-Apr-19	-	-		
				27-Mar-20	64000	Inter-se transfer	4421	0.07
		4421	0.07	31-Mar-20			4421	0.07
12	Rishabh Relan	121433	2.04	1-Apr-19	-			
				27-Mar-20	118500	Inter-se transfer	2933	0.05
		2933	0.05	31-Mar-20	-	-	2933	0.05
13	Ajay Relan	1927219	32.41	1-Apr-19	-	-	-	-
		1927219	32.41	31-Mar-20	-	-	1927219	32.41

Note: Based on the data received from RTA, for the weekly beneficiary promoter holding.

IV (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs ANDADRs):

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2019) / end of the year (31/03/2020)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
1	ANKITA CHANNA	50000	0.8408	01-Apr-19		No Transaction		
		50000	0.8408	31-Mar-20			50000	0.8408
2.	ASHISH THAREJA	27540	0.4631	01-Apr-19		No Transaction		
		27540	0.4631	31-Mar-20			27540	0.4631
3	BRAHAM ARENJA	60000	1.0090	01-Apr-19		No Transaction		
		60000	1.0090	31-Mar-20			60000	1.0090
4	PGIM INDIA TRUSTEES PRIVATE LIMITED A/C PGIM INDIA MID CAP OPPORTUNITIES FUND	-	-	01-Apr-19	-			
				07-Jun-19	2000	Purchase	2000	0.03
				14-Jun-19	479	Purchase	2479	0.04
				21-Jun-19	2000	Purchase	4479	0.08
				28-Jun-19	1521	Purchase	6000	0.10
				26-Jul-19	500	Purchase	6500	0.11
				02-Aug-19	588	Purchase	7088	0.12
				16-Aug-19	1000	Purchase	8088	0.14
				13-Sep-19	1000	Purchase	9088	0.15
				04-Oct-19	1000	Purchase	10088	0.17
				25-Oct-19	4912	Purchase	15000	0.25
				01-Nov-19	2904	Purchase	17904	0.30
				29-Nov-19	3865	Purchase	21769	0.37
				27-Dec-19	2231	Purchase	24000	0.40
				31-Dec-19	1000	Purchase	25000	0.42
				24-Jan-20	1926	Purchase	26926	0.45
				31-Jan-20	2651	Purchase	29577	0.50
				28-Feb-20	1523	Purchase	31100	0.52
				20-Mar-20	5812	Purchase	36912	0.62
				27-Mar-20	8525	Purchase	45437	0.76
		45437	0.76	31-Mar-20			45437	0.76
5	RAJIV TANDON	29000	0.4877	01-Apr-19		No Transaction		
		29000	0.4877	31-Mar-20			29000	0.4877

6.	RUNNER MARKETING PRIVATE LIMITED	42445	0.71	01-Apr-19				
				26-Apr-19	1700	Sale	40745	0.69
				03-May-19	3850	Sale	36895	0.62
				10-May-19	6365	Sale	30530	0.51
				17-May-19	2550	Sale	27980	0.47
				24-May-19	2770	Purchase	30750	0.52
				31-May-19	16753	Sale	13997	0.24
				26-Jul-19	13997	Sale	0	0.00
				02-Aug-19	4474	Purchase	4474	0.08
				09-Aug-19	35276	Purchase	39750	0.67
				27-Sep-19	4002	Purchase	43752	0.74
				06-Dec-19	5248	Purchase	49000	0.82
				27-Dec-19	640	Purchase	49640	0.83
				27-Mar-20	360	Purchase	50000	0.84
		50000	0.84	31-Mar-20			50000	0.84
7	USHA CHANNA	32262	0.5426	01-Apr-19		No Transaction		
		32262	0.5426	31-Mar-20			32262	0.5426
8	VANDANA CHANNA	58020	0.98	01-Apr-19				
				10-May-19	12	Sale	58008	0.98
				17-May-19	12	Purchase	58020	0.98
				31-May-19	550	Sale	57470	0.98
				29-Jun-19	300	Purchase	57770	0.97
				26-July-19	400	Purchase	58170	0.97
				25-Oct-19	600	Sale	57570	0.98
				01-Nov-19	50	Sale	57520	0.97
				22-Nov-19	40	Purchase	57560	0.97
				29-Nov-19	10	Purchase	57570	0.97
				27-Dec-19	150	Purchase	57720	0.97
				31-Dec-19	200	Sale	57520	0.97
				17-Jan-20	50	Purchase	57570	0.97
				13-Mar-20	150	Purchase	57720	0.97
				27-Mar-20	150	Purchase	57870	0.97
		57870	0.97	31-Mar-20			57870	0.97
9.	VIBGYOR INVESTORS AND DEVELOPERS PRIVATE LIMITED	70000	1.1772	01-Apr-19		No Transaction		
		70000	1.1772	31-Mar-20			70000	1.1772
10	VIJAY AGGARWAL	5000	0.08	01-Apr-19				
				06-Sep-19	25000	Purchase	30000	0.50
		30000	0.50	31-Mar-20			30000	0.50

Note: As per the data received from RTA according to date of beneficiary position

IV (v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S. No.	Name of the Director and KMP	Shareholding at the beginning of the year (01/04/2019) / end of the year (31/03/2020)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/Decrease	Reasons	No. of shares	% of total share capital
1	Shri Kishan N Parikh	150	0.00	1-Apr-19		No Transaction		
		150	0.00	31-Mar-20			150	0.00
2	Shri Ajay Relan	1927219	32.41	1-Apr-19				
		1927219	32.41	31-Mar-20			1927219	32.41
3	Smt. Sharda Relan	-	-	1-Apr-19		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-20			-	-
4	Shri Rohit Relan	428818	7.21	1-Apr-19		No Transaction		
				27-Mar-20	271450	Inter-se transfer	700268	11.78
		700268	11.78	31-Mar-20			700268	11.78
5	Shri Satinder Kumar Lambah	-	-	1-Apr-19		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-20			-	-
6	Prof. Ashok Kumar Bhattacharya	-	-	1-Apr-19		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-20			-	-
7	Shri Bireswar Mitra	775	0.01	1-Apr-19				
				25-June-19	25	Purchase	800	-
		800	0.01	2-Sep-19			NA	NA
8	Shri Vivek Bhatia	-	-	1-Apr-19		Nil holding / movement during the year		
		-	-	31-Mar-20				
9	Shri Nitin Vishnoi	1000	0.02	1-Apr-19		No Transaction		
				20-Nov-19	189	Sale	811	0.01
				21-Nov-19	811	Sale	-	-
		-	-	31-Mar-20			-	-

I. INDEBTNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Rs. in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year*				
Addition	NIL	NIL	NIL	NIL
Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

II. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:
(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Ajay Relan	Sharda Relan	Bireswar Mitra	Nitin Vishnoi	
1	Gross salary	334.00	340.60	8.82	18.95	702.37
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.79	13.70	0.09		23.58
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit					
5	Others including provident Fund & reimbursements	31.45	32.25	4.21	5.07	72.98
	Total (A)	375.24	386.55	13.12	24.02	798.93
	Ceiling as per the Act#					817.62

Being 10% of Net profits of the Company calculated as per section 198 of the Companies Act, 2013.
B. Remuneration to other directors:
(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Rohit Relan	S.K. Lambah	Kishan Nagin Parikh	Ashok K. Bhattacharya	Udayan Banerjee	
1.	Independent Directors						
	- Fee for attending board committee meetings		3.60	4.20	4.40	5.20	17.40
	· Commission						
	· Others, please specify						
	Total (1)						17.40
2.	Other Non-Executive Directors						
	· Fee for attending board committee meetings	0.40					0.40
	· Commission						
	· Others, please specify						
	Total (2)						0.40
	Total (B)=(1+2)						17.80
	Total Managerial Remuneration (A)+(B)						816.73
	Overall Ceiling as per the Act	Being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013					899.38

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD (Rs. In Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
		Vivek Bhatia	Nitin Vishnoi	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	137.91	11.56	149.47
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	0.40	0.00	0.40
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit			
	- Others, specify			
5	Others including Provident Fund & reimbursements	13.98	5.93	19.91
	Total (A)	152.29	17.49	169.78
	Ceiling as per the Act	N.A.	N.A.	N.A.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties / punishments / compounding of offences for the year ending 31st March, 2020.

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

Date : 29th June, 2020
Place : New Delhi

Sharda Relan
Co-Chairperson
(DIN:00252181)

Ajay Relan
Managing Director
(DIN:00257584)

ANNEXURE IV
Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Requirements of Rule 5(1)	Details
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	(i) Shri Kishan N Parikh-NA (ii) Shri Ajay Relan – 1:86.48% (iii) Smt. Sharda Relan – 1:88.92% (iv) Shri Rohit Relan-NA (v) Shri Satinder Kumar Lambah-NA (vi) Prof. A. K. Bhattacharya-NA (vii) Shri Udayan Banerjee-NA (viii) Shri Nitin Vishnoi – NA (appointed w.e.f. 3rd September, 2019)
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Directors : (i) Shri Kishan N Parikh-NA (ii) Shri Ajay Relan : (-32.76%) (iii) Smt. Sharda Relan : (-17.83%) (iv) Shri Rohit Relan – NA (v) Shri Satinder Kumar Lambah-NA (vi) Prof. A. K. Bhattacharya –NA (vii) Shri Udayan Banerjee-NA (viii) Shri Nitin Vishnoi – NA (appointed w.e.f. 3rd September, 2019) Key Managerial Personnel (i) Shri Vivek Bhatia, President & Group CFO - 59.38% (ii) Shri Nitin Vishnoi, Executive Director & Company Secretary –11% (appointed as Executive Director w.e.f. 3rd September, 2019)
(iii) the percentage increase in the median remuneration of employees in the financial year;	2.7%
(iv) the number of permanent employees on the rolls of company;	1,067 employees as on 31st March, 2020
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average increase in remuneration of non-managerial personnel is against which the increase in average salary of managerial personnel is 10.42% which is in the same range and does need any justification.
(vi) affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid during the year ended 31st March, 2020 is as per the Remuneration Policy of the Company.

General Note:

- For the purpose of above calculation, Company has taken the comparable employees who were in the employment during the year under review and the previous year 2018-19 and have excluded the employees not eligible for increment.

ANNEXURE V

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

A. Employed throughout the year ended 31st March, 2020:

S.N	Name	Designation	Remuneration received (Rs. in lakhs)	Qualification & Experience	Date of commencement of employment	Age as on 31.03.20	Last employment held
1	Sharda Relan	Co-Chairperson	386.55	Graduate 34 years	29.01.1986	85 years	N.A.
2	Ajay Relan	Managing Director	375.24	B.Com (Hons.) OPM From, Harvard Business School USA 36 years	29.01.1986	58 years	N.A.
3	Aashim Relan	Chief Executive Officer	144.61	Graduate in Economics major from Emory University, Atlanta (U.S.A) 8 years	28.06.2012	30 years	N.A.
4	Vivek Bhatia	President & Group CFO	152.29	Chartered Accountant & Company Secretary 29 years	01.07.2016	52 years	Jamna Auto Limited
5	Sanjiv Kumar Yogi	Chief Purchasing Officer	81.31	MBA, M.Tech. 25 years	14.08.2015	47 years	India Yamaha Motor Private Limited
6	Lee Sung Ho	President	80.76	Mechanical Engg. 34 years	07.10.2010	56 years	LG Metals
7	K K Sharma	President	53.34	B.Com 28 Years	14.06.1993	49 years	N.A.
8	Nitin Vishnoi	Executive Director & Company Secretary	41.51	Company Secretary 28 Years	01.07.1998	50 years	Korin India Limited
9	Rajesh K Malik	Vice President	42.14	DME , B.E. (Mech) 27 Years	10.04.1996	52 years	Elegant Elecricals Industries
10	Paramjeet Singh	Vice President	39.6	B.Com 22 Years	08.10.2003	43 years	N.A.

Employed for part of the year ended 31st March, 2020:

S. N	Name	Designation	Remuneration received (Rs. in lakhs)	Qualification & Experience	Date of commencement of employment	Age as on 31.03.20	Last employment held
1	Manoj Mohan Solanki	COO	176.71	BE (Prod), EMBA 29 Years	17.07.2019	51 years	NRB Bearings
2	Dr Jan Brand	Director R&D	161.19	Ph.D & MBA 17 years	16.07.2018	50 years	Tenneco
3	Abhinav Gera	Chief People Officer	16.45	MS (OD), PGD (HR), MA (HR), Ex PGD (HR) 18 Years	13.01.2020	40 years	Hero Moto Corp
4	Abinash Upadhyay	Chief Peoples Officer	30.8	Post Graduate Diploma in PM 26 years	21.03.2016	52 years	Apollo Tyre Ltd.

S. N	Name	Designation	Remuneration received (Rs. in lakhs)	Qualification & Experience	Date of commencement of employment	Age as on 31.03.20	Last employment held
5	Dnyaneshwar Dandekar	Vice President	21.23	BE (Mech), ME (Thermal Engg), EMBA 22 Years	27.11.2019	44 years	Tenneco
6	Atul Sheth	COO-Western Region	55.96	Post Graduate Diploma in Automobile Engg. 35 years	15.04.2013	58 years	Lear Corporation
7	Maya Nagpal	Chief People Officer	31.69	MPM (HR), Bcom	06.06.2019	41 years	Faurecia
8	Sitanghsu Goswami	President – sales & strategy	36.96	DME 33 years	03.02.2016	54 years	Magna Steyr

Notes:

1. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
2. The nature of employment of Shri Ajay Relan, Shri SH Lee and Smt. Sharda Relan is contractual, for the rest of the employees, it is other than contractual.
3. Shri Ajay Relan and Shri Rohit Relan are sons of Smt. Sharda Relan. Shri Aashim Relan is the son of Shri Ajay Relan.
4. Except Shri Ajay Relan and Shri Aashim Relan, who are holding 32.41% and 5.12% equity shares of the Company respectively, none of the above employees holds more than 2% of the equity share capital of the Company as on 31st March, 2020 as per Rule 5(3)(viii) of the Companies (Appointment and Remuneration) Rules, 2014.

ANNEXURE VI**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

A. CONSERVATION OF ENERGY:**(i) The steps taken by the company for conservation of energy or impact on conservation of energy**

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

- Conventional bulbs/lights have been replaced with LED lights in all the plants.
- Protoshop Timer shave been installed to cut the idle running of the machines.
- Air Conservation system for Air Compressor.
- Auto stop timer for shop floor machines, exhaust fans, welding machines.
- Installation of Solar Norikool Advance Day Light System in Nasik Plant.
- Installation of Solar Power Plant in SIPCOT Chennai (300 KW) and 763KW in Chennai MWC
- Portable compressor provided for WCC cleaning purpose in place of high capacity compressor in Chennai plant.
- 2 Hydraulic Pump (10 KW) eliminated by combining the hydraulic pump & operation in Chakan plant.
- Compressed Air Leakage reduced in plants.
- Heavy duty roof top exhaust fan idle time run has eliminated by providing timer.
- Putting sensors timer to stop idol running of machines and motors
- Installation of VFD drivers to save more power in machines and motors.

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

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

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

(iii) The capital investment on energy conservation equipments:

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

B. TECHNOLOGICAL ABSORPTION:**(i) The efforts made towards technology absorption;**

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

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

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

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

No Technology has been imported during the last three years.

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

- Capital Expenditure – Rs. 33.33 Lakhs
- Revenue Expenditure – Rs. 2,443.32 Lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

The information is reported under suitable heading in the 'Notes to Financial Statement' forming part of the Annual Report of the Company for the year 2019-20.

ANNEXURE VII
AOC – 2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2020, which were not at arm's length basis.

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

Name(s) of the related party and nature of relationship	Bharat Seats Limited	Relan Industrial Finance Limited, Associate Company
Nature of contracts/ arrangements/ transactions	Sale, Purchase or supply of goods, materials and selling or otherwise disposing off or buying property of any kind and tools/ job charges.	To avail stock broking services for investing the funds of the Company in capital market like shares, debentures, mutual funds (liquid, cash etc.) or any other financial instruments.
Duration of the contracts / arrangements / transactions	Perpetual and ongoing in nature.	Recurring, whenever, it will be in the best interest of the Company.
Salient terms of the contracts or arrangements or transactions including the value, if any	Up to a maximum of Rs. 600 crores (actual amount of transaction Rs. 24.37 Lakhs) per annum for sale, purchase or supply of goods, materials and Rs. 150 Crore (actual amount of transaction Rs. Nil) per annum for selling or otherwise disposing off or buying property of any kind and tools/ job charges.	Surplus funds invested through Relan Industrial Finance Limited shall be subject to a maximum limit of Rs. 50 Crores per transaction, However remaining outstanding amount at any point of time shall not exceed Rs. 300 Crores during any financial year.
Date(s) of approval by the Board, if any	Since the transaction entered into ,is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on 13 th February,2019 as per SEBI (LODR) Regulations, 2015.	Since the transaction entered in to ,is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on 13 th February, 2019 as per SEBI (LODR) Regulations, 2015.
Amount paid as advances, if any:	Nil	Nil

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

Date : 29th June, 2020
Place : New Delhi

Sharda Relan
Co-Chairperson
(DIN:00252181)

Ajay Relan
Managing Director
(DIN:00257584)

Annexure – VIII
FORM AOC-1

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

None

Part “B”: Associates and joint Ventures

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

(Currency: Rs. in Lakhs except otherwise specified)

Name of associates/Joint Ventures	Relan Industrial Finance Limited	Exhaust Technology Private Limited*
E1. Latest audited Balance Sheet Date	31 st March, 2020	31 st March, 2020
2. Date on which the Associate and Joint Venture was associated or acquired	15 th November, 1993	16 th April, 2019
3. Shares of Associate/Joint Ventures held by the company on the year end		
No. (in Numbers)	4,90,000	2,50,00,000
Amount of Investment in Associates/ Joint Venture	49	2,500
Extend of Holding (in percentage)	47.12%	50%
4. Description of how there is significant influence	Shareholding	Shareholding
5. Reason why the associate /joint venture is not consolidated	N.A	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	417.70	1,916.67
7. Profit/Loss for the year		
i. Considered in Consolidation	46.55	(583.13)
ii. Not Considered in Consolidation	52.24	(583.13)

1. There are no associates or joint ventures which are yet to commence operations.

2. None of the associates or joint ventures have been liquidated or sold during the year.

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

For and on Behalf of Board of Directors
of **Sharda Motor Industries Limited**

Sharda Relan
Co-Chairperson
DIN:00252181

Ajay Relan
Managing Director
DIN:00257584

Aashim Relan
Chief Executive Officer

Vivek Bhatia
President & Group CFO
M. No. 89846

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

Date : 29th June, 2020
Place : New Delhi

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

In line with the requirements of Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), your directors are pleased to present the Company's annual report on Corporate Governance for the year ended 31st March, 2020, in the prescribed format and forming part of the Board Report:

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

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

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

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

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

2. BOARD OF DIRECTORS

The Board of Directors consists of professionals drawn from diverse fields. As on 31st March, 2020, the Board of Directors of the Company consist eight directors, chaired by Shri Kishan N. Parikh, Non-Executive Independent Director. The composition of the Board is in conformity with Listing Regulations. All Non-Executive Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

The Board met Six (6) times during the financial year 2019-20 on 5th April, 2019, 06th May 2019, 27th May, 2019, 12th August, 2019, 12th November, 2019, and 3rd February, 2020. The maximum gap between any two meetings did not exceed 120 days.

In addition to the above, during the year under review a separate meeting of Independent Directors was held on 3rd February, 2020 to discuss the matters as prescribed under Listing Regulations and the Companies Act, 2013.

The composition and category of directors, their attendance at the Board meetings held during the year ended 31st March, 2020 and at the last Annual General Meeting, number of other directorships and membership/ chairpersonships of committees etc. are tabulated hereunder:

S. No.	Name of the Director(DIN) (Designation)	Category	No. of Board Meeting held during tenure	No. of Board Meeting attended	Attendance at last AGM held on 27th September, 2019	Directorship of other public companies*		Name & Category of Directorship held in the Listed Entities including this Listed Entity	Committee position held in other public Companies#		Shareholding in the Company
						Chairperson	Director		Chairperson	Member**	
1.	Shri Kishan N Parikh (00453209) (Chairperson) \$	Independent/ Non- executive Director	6	5	YES	1	3	1. Pebco Motors Ltd. (Managing Director) 2. Sharda Motor Industries Limited (Non-Executive Independent Director)	1	4	150
2.	Shri Satinder Kumar Lambah (07425155) (Director)	Independent/ Non- executive Director	6	4	YES	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL
3.	Prof. Ashok Kumar Bhattacharya (02804551) (Director)\$	Independent/ Non- executive Director	6	6	YES	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL
4.	Shri Ajay Relan (00257584) (Managing Director & CEO)	Promoter / Executive Director	6	5	YES	0	3	1. Bharat Seats Limited (Non-Executive Non-Independent Director) 2. Sharda Motor Industries Limited (Managing Director)	0	0	1927219

5.	Smt. Sharda Relan (00252181) (Director)	Promoter / Executive Director	6	6	YES	1	3	1. Bharat Seats Limited (Non- Executive Non- Independent Director) 2. Sharda Motor Industries Limited (Executive Director)	0	0	NIL
6.	Shri Rohit Relan (00257572) (Director)	Promoter /Non- Independent/ Non- executive Director	6	1	NO	1	2	1. Bharat Seats Limited (Managing Director) 2. Sharda Motor Industries Limited (Non-Executive Non- Independent Director)	0	0	7,00,268
7.	Shri Bireswar Mitra (06958002)@ (Director)	Non- Independent/ executive Director	4	3	YES	0	0	1. Sharda Motor Industries Limited (Executive Director)	0	0	800
8.	Shri Udayan Banerjee ## (DIN: 0339754), (Additional Director)	Independe nt/ Non- executive Director	6	6	Yes	1	1	1. Sharda Motor Industries Limited (Non- Executive Independent Director)	2	2	NIL
9.	Shri Nitin Vishnoi @@	Executive Director	2	2	N.A.	0	0	1. Sharda Motor Industries Limited (Executive Director)	0	0	NIL

Note: Shri Ajay Relan and Shri Rohit Relan are son's of Smt. Sharda Relan. Apart from this there is no relationship among the directors inter-se.

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

**membership includes chairpersonship.

@ Shri Bireswar Mitra has tendered his resignation from Directorship of the Company w.e.f. the closing of Business hours of 2nd September, 2019.

@@Shri Nitin Vishnoi, appointed as whole-time Director w.e.f. 3rd September, 2019.

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

\$ the Shareholders of the Company by means of Voting through Postal Ballot on 17th July, 2019, has approved the re- appointment of Shir Kishan N Parikh and Prof. Ashok Kumar Bhattacharya as Non-Executive Independent Director for second term of five consecutive years with effect from 3rd September, 2019 to 2nd September, 2024.

At the time of appointment and thereafter at the first board meeting in every financial year, the Independent Directors submit a self-declaration confirming their independence in compliance with various eligibility criteria laid down by the applicable laws among other things and not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. In addition, the Company also ensures that the directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

Details of familiarization programme imparted to independent directors are available on company website www.shardamotor.com, under heading 'Investor Relations'.

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

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

S. No.	Name	Skills	Expertise	Competence
1	Shri Kishan N Parikh	Belonging from Commerce background. His overall experience and knowledge evolves around financial matters.	Holds Bachelor's Degree in commerce and has overall experience of more than 30 years in area of Business Management and managing Financial activities.	Being from Commerce background, he plays important role in decision making at the Board level specifically financial related matters and Management matters
2	Smt. Sharda Relan	Management Business and related activities	Holds Bachelor's degree and is being associated with the Company since its inception. She has an experience of more than 34 years in area overall management of Business activities.	Managing Business Operations, handling day to day affairs and other related activities.
3	Smt. Sarita Dhuper	Belonging from Medical background. Her Overall education and knowledge is in Medical field.	She holds MBBS degree along with Masters degree in Medicine and is Practitioner Doctor in USA. She has more than 35 years of experience in the Medicine and related fields.	She would help / suggest the Company to engage in CSR activities under Healthcare sector.
4	Prof. Ashok Kumar Bhattacharya	Being from Engineering background, Research and Technology are the key areas.	He holds Bachelor's degree from IIT, Kharagpur and P.H.D from Cambridge. Has more than 40 years of experience including the in Process Engineering.	Being from the Engineering Background and having vast expertise in field of Physics, Chemistry and Process Engineering, he suggest / support and understand in the decision making related to Research & Technology for our Technology.
5	Shri Ajay Relan	He holds Bachelor's degree in Commerce and Management degree from USA. He is looking after the overall Strategic and Business Management of the Company.	He has Bachelor's degree in commerce and Masters degree from Harvard Business School, U.S.A. He is being associated with the Company since its inception. He has more than 34 years of experience in several fields of Finance, Marketing, and strategic Management.	Being from commerce background. He is engaged into the overall manufacturing operations at Plant and Research & Development, Product Development, sales and marketing field and complete supervision of the Company. His leadership qualities embark the Company towards growth in domestic & global footprint. He is also actively engaged in the decision making at the Board level specifically the financial related matters.
6	Shri Rohit Relan	He holds Membership from Institute of Chartered Accountants of India (ICAI) and Masters degree from Harvard Business School. He is engaged into Business management	Since he belongs from commerce background and he has vast experience in several fields of Finance and Management of the Company.	Being from commerce background. He is engaged into decision making at Board level and has a vast experience in the line of Finance and Total Productivity Maintenance.
7	Shri Satinder Kumar Lambah	He holds Bachelor's degree. He has been Ambassador of India to Hungary, Germany, Russia and High Commissioner to Pakistan.	He has vast experience in several fields of Finance and Management of the Company. He has overall experience of more than 45 years.	Being Diplomat representing the Country and considering the involvement in many successful economic ventures at country level. He has vast experience in several fields of handling issues and decision making. He is actively engaged in the decision making at the Board level in the field Finance, Management and Strategic Management.
8	Shri Udayan Banerjee	He holds Masters Degree in Earth Science from IIT Kharagpur. Research and Technology are the key areas of his interest.	He has an overall experience of more than 47 Years for working with various reputed organizations.	Being holding Masters degree in Science, he possesses expertise in the field of Research and Development of Technology and setting up of Plant. He is actively engaged in the decision making at several at the Board level.

9	Shri Nitin Vishnoi	He holds Fellow Membership from Institute of Company Secretaries of India (ICSI).	Being from Commence background and holding Membership as Company Secretary. He has been associated with the Company since year 2002 and has an overall work experience of more than 26 Years	He has an expertise in the field of Corporate Restructuring, Compliance Management and Corporate Governance and is actively engaged in the decision making at the Board level in the field Finance and Strategic Management.
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3. AUDIT COMMITTEE

Constitution of Audit Committee is in line with the provisions of Section 177 of the Companies Act, 2013 and Listing Regulations. The Audit Committee presently comprise Four (4) Non-Executive/ Independent Directors and one Executive Director of the Company. All the Five members of Committee have adequate financial & accounting knowledge and background.

The Audit Committee of the Company acts in accordance with the terms of reference as provided under applicable laws and as may be specified by the Board from time to time. The role of the audit committee inter alia includes the following (i) oversight of the Company's financial reporting process and disclosure of financial information; (ii) recommendation to the Board for appointment, remuneration etc. of auditors; (iii) review of financial statement and auditor's report; (iv) discussion with statutory auditors of the Company about their findings, observations, suggestions, scope of audit etc.; (v) review of internal control systems and accounting policies followed by the Company; (vi) review of the financial statements with the management before their submission to the Board for approval etc. In addition to the above, the Audit Committee carries out all such other functions as provided under applicable laws and specified by the Board of Directors from time to time.;

The proceedings and minutes of the Committee meetings are regularly placed before the Board. Chairperson of the Committee was present at the last Annual General Meeting held on 27th September, 2019, to address the members of the company.

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

During the year ended 31st March, 2020, the Audit Committee meetings were held on 5th April, 2019, 27th May, 2019, 12th August, 2019, 12th November, 2019, and 3rd February, 2020.

The Composition and attendance of Members at the meeting held during the financial year 2019-20 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Kishan N Parikh	Independent & Non- Executive	Chairperson	5	5
Smt. Sharda Relan	Non-Independent & Executive	Member	5	5
Shri Satinder Kumar Lambah	Independent & Non-Executive	Member	5	3
Prof. Ashok Kumar Bhattacharya	Independent & Non- Executive	Member	5	5
Shri Udayan Banerjee	Independent & Non- Executive	Member	5	5

4. NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee comprises of four Non-executive directors, all of which are independent directors. Composition of the Committee is as per the Companies Act, 2013 and Listing Regulations.

During the year under review, Nomination and Remuneration Committee were held on 5th April, 2019, 27th May, 2019, 12th August, 2019, 12th November, 2019, and 3rd February, 2020

The Composition and attendance of Members at the meeting held during the financial year 2019-20 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/her tenure	Number of meetings attended
Shri Satinder Kumar Lambah	Independent, Non-Executive	Chairperson	5	3
Shri Kishan N Parikh	Independent, Non-Executive	Member	5	5
Prof. Ashok Kumar Bhattacharya	Independent, Non-Executive	Member	5	5
Shri Udayan Banerjee	Independent, Non-Executive	Member	5	5

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

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

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

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

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

Remuneration paid to the Directors for the year is given below:

EXECUTIVE DIRECTORS

(Rs. in Lakhs)

Name of Director	Salary	Perks	Performance Incentive	Total
Smt Sharda Relan	270.60	45.95	70.00	386.55
Shri Ajay Relan	264.00	41.24	70.00	375.24
Shri Bireswar Mitra	8.82	4.30	-	13.12
Shri Nitin Vishnoi	17.12	5.08	1.82	24.02
Total				798.93

NON-EXECUTIVE DIRECTOR

(Rs. in Lakhs)

Name of Director	Sitting fee
Shri Kishan N Parikh	4.20
Shri Satinder Kumar Lambah	3.60
Prof. Ashok Kumar Bhattacharya	4.40
Shri Rohit Relan	0.40
Shri Udayan Banerjee	5.20
TOTAL	17.80

Notes:

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

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee periodically reviews the status of shareholders' grievances and redressal of the same. The Committee met four times in 2019-20 on 27th May, 2019, 12th August, 2019, 12th November, 2019, and 3rd February, 2020. The necessary quorum was present for all the meetings. The Chairperson of the Committee was present at the last Annual General Meeting of the Company held on 27th August, 2019.

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

- to consider and resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- to consider and approve demat / remat of shares / split / consolidation / sub-division of share / debenture certificates;
- to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc;

- to oversee and review all matters connected with the transfer of the Company's securities;
- to review adherence to the standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

The composition of the Committee and their attendance at the Committee meeting held during the year ended 31st March, 2020 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/her tenure	Number of meetings attended
Shri Udayan Banerjee	Non-Independent, Non-Executive	Chairperson	4	2
Smt. Sharda Relan	Executive	Member	4	4
Shri Satinder Kumar Lambah	Independent, Non-Executive	Member	4	4

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

During the year ended 31st March, 2020, status of investor grievance is tabulated hereunder:

PARTICULAR	Numbers
Complaint pending as on 1 st April, 2019	NIL
Complaints received during the financial year 2019-20	1
Complaints disposed off up to the satisfaction of shareholder during the financial year 2019-20	1
Complaints pending as on 31 st March, 2020	NIL

The Company has acted upon all valid requests for issue of duplicate Share Certificates, share transfer/ transmission received during the year under report and no such issue of duplicate Share Certificates; transfer/ transmission are pending as on 31st March, 2020.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

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

During the Financial Year 2019-20, CSR Committee Meeting was held on 12th August, 2019. The Composition of the Committee along with the attendance of its Members are as under:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Smt. Sharda Relan	Executive	Chairperson	1	1
Shri Kishan N Parikh	Independent, Non-Executive	Member	1	1
Shri Ajay Relan	Executive	Member	1	1
Shri Satinder Kumar Lambah	Independent, Non-Executive	Member	1	1

The Corporate Social Responsibility Report for the year ended 31st March, 2020 is annexed to the Director's Report.

7. GENERAL BODY MEETINGS

A. Annual general Meeting and NCLT Convened Meeting

Annual general Meeting

AGM No.	Year	Venue	Date	Time	No. of Special Resolutions
34	2018-19	PHD Chamber of Commerce, New Delhi	27.09.2019	12:00 noon	None
33	2017-18	PHD Chamber of Commerce, New Delhi	27.09.2018	12:00 noon	None
32	2016-17	PHD Chamber of Commerce, New Delhi	30.08.2017	12:00 noon	None

NCLT Convened Meeting:

Date & Time	Venue	Special Resolutions Passed
November 20, 2019 12:00 Noon	PHD Chamber of Commerce, PHD House, 4/2, August Kranti Marg, Siri Institutional Area, New Delhi – 110016	Approval of Scheme of between Sharda Motor Industries Limited (SMIL), and NDR Auto Components Limited (NACL) and their respective shareholders and creditors, for the Demerger of Automobile Seating Undertaking of Sharda Motor Industries Limited ("Demerged Company") into NDR Auto Components Limited ("Resulting Company") with December 31, 2018 as the Appointed Date.

B. Extraordinary General Meetings

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

C. Resolutions Passed through Postal Ballot, during the year under review

- Approval of Re-Appointment of Shri Kishan Nagin Parikh and Prof. Ashok Kumar Bhattacharya as Non-Executive Independent Director of the Company, to hold office for a second term of five consecutive years commencing with effect from 3rd September, 2019 to 2nd September, 2024.
- Approval for the continuation of payment of remuneration to Smt. Sharda Relan, Co-chairperson and Whole time Director and to Shri Ajay Relan, Managing Director of the Company who are also promoters of the Company in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018.

1. Voting Pattern and Procedure for Postal Ballot

- The Company had sent the Postal Ballot Notice dated 19th May, 2019 together with the Explanatory Statement, the postal ballot form and self-addressed envelope to the Members in the permitted mode, whose names appear in the register of members as on 07th June, 2019.
- Members were advised to carefully read the instructions printed on the postal ballot form before casting their vote and return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutinizer on or before 16th July, 2019 (05:00 PM IST). Members voting through electronic mode were requested to follow the instructions for e-voting. Voting period for both physical and e-voting started from 17th June, 2019 (9:00 AM IST) to 16th July, 2019 (05:00 PM IST).
- Sh. Vineet K Chaudhary (Company Secretary in whole time practice, bearing Membership No. F 5327 & C. P. No. 4548), Managing Partner or failing of him Sh. Mohit K Dixit (Company Secretary in whole time practice, bearing Membership No. ACS 49021 & C.P. No. 17827), Partner of M/s. VKC & Associates, New Delhi, was appointed as the Scrutinizer for conducting the Postal Ballot / E-Voting process in a fair and transparent manner.
- After proper scrutiny of the postal ballot forms/e-voting received upto 16th July, 2019 (05:00 PM IST), scrutinizer submitted his final report on 17th July, 2019.
- The result of the Postal Ballot / e-voting was declared on 17th July, 2019.
- The result of the postal ballot / e-voting was also placed at the website of the Company www.shardamotor.com and submitted to stock exchange where company's shares are listed.

Results:

Details of the Resolution Special/ Ordinary Resolution	No. of valid votes cast	Votes cast in favor of the resolution		Votes cast against the resolution	
		No.	%	No.	%
APPROVAL OF RE-APPOINTMENT OF SHRI KISHAN NAGIN PARIKH AS NON- EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY	4,652,845	4,649,941	99.94	2,674	0.06
APPROVAL OF RE-APPOINTMENT OF PROF. ASHOK KUMARBHATTACHARYA AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY	4,652,845	4,632,681	99.57	19,934	0.43

2. Voting Pattern and Procedure for Postal Ballot

- The Company had sent the Postal Ballot Notice dated 5th April, 2019 together with the Explanatory Statement, the postal ballot form and self-addressed envelope to the Members in the permitted mode, whose names appear in the register of members as on 12th April, 2019.
- Members were advised to carefully read the instructions printed on the postal ballot form before casting their vote and return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutinizer on or before 19th May, 2019 (05:00 PM IST). Members voting through electronic mode were requested to follow the instructions for e-voting. Voting period for both physical and e-voting started from 20th April, 2019 (9:00 AM IST) to 19th May, 2019 (05:00 PM IST).

- c) Sh. Vineet K Chaudhary (Company Secretary in whole time practice, bearing Membership No. F 5327 & C. P. No. 4548), Managing Partner or failing of him Sh. Mohit K Dixit (Company Secretary in whole time practice, bearing Membership No. ACS 49021 & C.P. No. 17827), Partner of M/s. VKC & Associates, New Delhi, was appointed as the Scrutinizer for conducting the Postal Ballot / E-Voting process in a fair and transparent manner.
- d) After proper scrutiny of the postal ballot forms/e-voting received upto 19th May, 2019 (05:00 PM IST), scrutinizer submitted his final report on 21st May, 2019.
- e) The result of the Postal Ballot / e-voting was declared on 21st May, 2019.
- f) The result of the postal ballot / e-voting was also placed at the website of the Company www.shardamotor.com and submitted to stock exchange where company's shares are listed.

Results:

Details of the Resolution Special/ Ordinary Resolution	No. of valid votes cast	Votes cast in favour of the resolution		Votes cast against the resolution	
		No.	%	No.	%
Approval for the continuation of payment of remuneration to Shri Ajay Relan, Managing Director who is also promoter of the Company in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018	4,631,885	4,611,222	99.55	20,663	0.44
Approval for the continuation of payment of remuneration to Smt. Sharda Relan, Co-chairperson and Whole time Director who is also promoter of the Company in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018	4,631,883	4,611,220	99.55	20,663	0.44

8. DISCLOSURES

- a) **Related Party Transactions:** The material financial and commercial transactions where they and / or their relatives have personal interest. The particulars of transactions between the Company and its related parties as per the Ind AS 24, "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are set out in relevant Notes to Financial Statements in the Annual Report. Further in pursuant to the Amendment in SEBI Listing Regulations 2018, the transactions of the Company with the following Persons: (belonging to the promoter / promoter group holding 10% or more shares in the Company) of :
 - Ajay Relan (Promoter / Managing Director) holding 32.41% of Equity Shares in the Company
 - Rohit Relan (Promoter / Executive Director) holding 11.78% of Equity Shares in the Company
 - Ritu Relan (Member of Promoter Group) holding 12.49 % of Equity Shares in the Company are prescribed in the Related Party Disclosures forming part in the Note 36 of Notes to Financial Statements.

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

- b) Board has considered and accepted all the recommendations of the Committees of the Company.
- c) During the year under review, No independent Director has resigned from the Directorship of the Company.
- d) During the year under review, No funds by way of Preferential Allotment or by way of Qualified Institutional Placement was raised.
- e) Smt. Sharda Relan, Director shall retire by rotation and being eligible and offered herself for re-appointment at this 35th Annual General Meeting of the Company.
- f) The above re-appointment is subject to the approval of members of the Company in the ensuing Annual General Meeting (AGM). A brief resume along with information required as per applicable laws of the above Director recommended for re-appointment at the AGM are furnished in the Notice of the Annual General Meeting of the Company.
- g) During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital markets.
- h) Company has in place a Whistle Blower Policy and no person has been denied access to the audit committee. Details of the policy are placed on the Company's website www.shardamotor.com.

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

The Commodity price risk and Commodity hedging activities The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly,

no hedging activities for the same are carried out. Therefore, there is no Disclosure to offer in terms of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141, dated November 15, 2018.

- The Company has complied with all the mandatory requirements of Listing Regulations and the non-mandatory requirements have been adopted to the extent and in the manner as stated hereunder:
- The Company has appointed separate persons to the post of Chairperson and Managing Director/CEO.
- The Company is in the regime of unqualified financial statements.
- The Company has adopted a code of conduct for prevention of Insider Trading and Fair Disclosure as per SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulation") All Directors and designated employees who could have access to the unpublished price sensitive information are required to follow this code.
- The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations. The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable, and necessary disclosures thereof have been made in this Corporate Governance Report.

9. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

A Certificate in Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) confirming the Non-Disqualification of Directors obtained from Ms. Jaya Yadav, Practising Company Secretary (C.P. No.: 12070) has been enclosed as Annexure - IX to this Report.

10. CONFIRMATION OF INDEPENDENT DIRECTORS

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

11. CREDIT RATINGS

The Credit Ratings of the Company by CRISIL's has reaffirmed the credit rating based on the Working Capital facility(ies) of Sharda Motor Industries Limited (SMIL) as 'CRISIL AA- / Stable', The review of CRISIL's ratings confirms that the Ratings of Sharda Motor Industries Limited is reaffirmed. Further there are no debt instruments or any fixed deposit or any scheme or proposal for mobilization of funds are issued by the Company.

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

M/s. Gupta Vigg & Co., Chartered Accountants, Statutory Auditors of Sharda Motor Industries Limited (the Company) Audit Fees paid by the Company to M/s. Gupta Vigg & Co., Chartered Accountants, Statutory Auditors during the FY 2019-20 are as:

S.No.	Particular of Expenses	Amount (in Rs.)	Total Amount (in Rs.)
Total Fees Paid by the Company for all the Services rendered by the Statutory Auditors			
1.	Audit Fees for FY 2019-20		935,000
2.	Certification fee	65,000/-	
	Out of Pocket Expenses incurred for the same	74,700/-	139,700
Total			1,074,700

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

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

- number of complaints filed during the financial year - NIL
- number of complaints disposed of during the financial year - NIL
- number of complaints pending as on end of the financial year - NIL

14. MEANS OF COMMUNICATION

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

Such results are generally published within 48 hours in two Newspapers, one in English newspaper (Financial Express) and the other one in Hindi newspaper (Vir Arjun), and are also displayed on the website of the Company www.shardamotor.com.

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

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

15. GENERAL SHAREHOLDERS' INFORMATION: Annual General Meeting to be held:

Day : Tuesday

Date : 29th September, 2020

Time : 12:00 (Noon)

Venue : Through Video Conferencing/ Other Audio Video Means

Financial Year : 1st April to 31st March

Date of Book Closure: Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive)

Dividend Payment: No dividend was paid during the financial year.

Listing on Stock Exchanges : The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and the annual listing fees for the financial year 2020-21 has been paid in respect of both the stock exchanges.

Stock Code and ISIN No.

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	535602 (Scrip Code)
National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra - Kurla Complex, Mumbai- 400051	SHARDAMOTR (Symbol)
ISIN No.	INE597I01010

High, Low during each month of last financial year:

Month	BSE		NSE	
	High	Low	High	Low
Apr-19	1549.00	1432.00	1579.90	1425.00
May-19	1549.00	1215.00	1549.90	1220.00
Jun-19	1570.00	1290.00	1500.00	1280.00
Jul-19	1368.75	918.00	1365.00	920.00
Aug-19	1040.00	891.05	1044.00	880.85
Sep-19	1127.70	903.60	1015.00	910.05
Oct-19	1215.00	765.10	1207.95	772.00
Nov-19	1172.55	1020.00	1155.00	1018.25
Dec-19	1150.90	910.00	1150.00	905.60
Jan-20	1131.80	960.00	1125.00	983.85
Feb-20	1080.00	833.65	1020.00	836.00
Mar-20	860.00	483.00	869.35	480.00

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

Registrar & Transfer Agent

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

M/s. Alankit Assignments Ltd.

Alankit Heights, 1E/13

Jhandewalan Extension, New Delhi - 110055

Tel: 011-42541234, 23541234 Fax: 011-41543474

E-mail: rta@alankit.com

Share Transfer System and other related matters:

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

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

SHAREHOLDING

Distribution of shareholding as on 31st March, 2020

Category (No. of shares)	No. of shareholders	% of shareholders	No. of Shares	% of equity shares
1-500	7939	96.41	349495	5.88
501-1000	121	1.47	90246	1.52
1001-2000	66	0.80	98325	1.65
2001-3000	30	0.36	77517	1.30
3001-4000	15	0.18	51204	0.86
4001-5000	6	0.07	27564	0.46
5001-10000	18	0.22	125401	2.11
10001-more	40	0.49	5126574	86.22
Total	8235	100.00	5946326	100.00

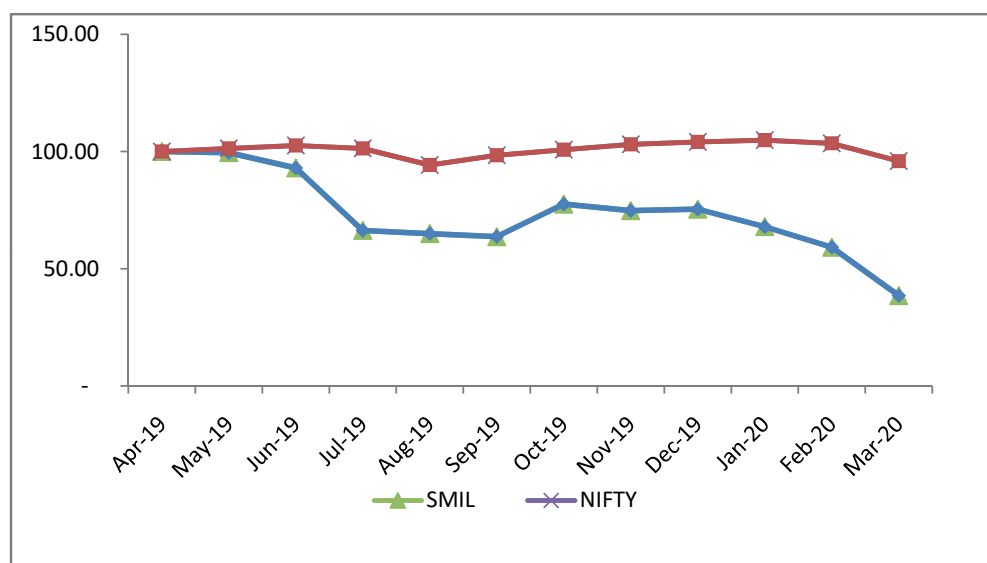
Shareholding Pattern as on 31st March, 2020

Category Code	Category	Total No. of shares	% of total no. of Shares
(A)	Promoters and Promoter Group		
(i)	Resident Individual	4352579	73.20
(B)	Public Shareholding		
	Individuals	1167238	19.63
	Mutual Funds/ UTI	45437	0.76
	Foreign Portfolio Investors	13623	0.23
	Bodies Corporate	291716	4.91
	Non Resident Indians	13226	0.22
	Non Resident Non Repatriates	15630	0.26
	Trust	33	0
	Clearing Members	2965	0.05
	Resident HUF	36779	0.62
	IEPF	7100	0.12
	Total Shareholding	5946326	100

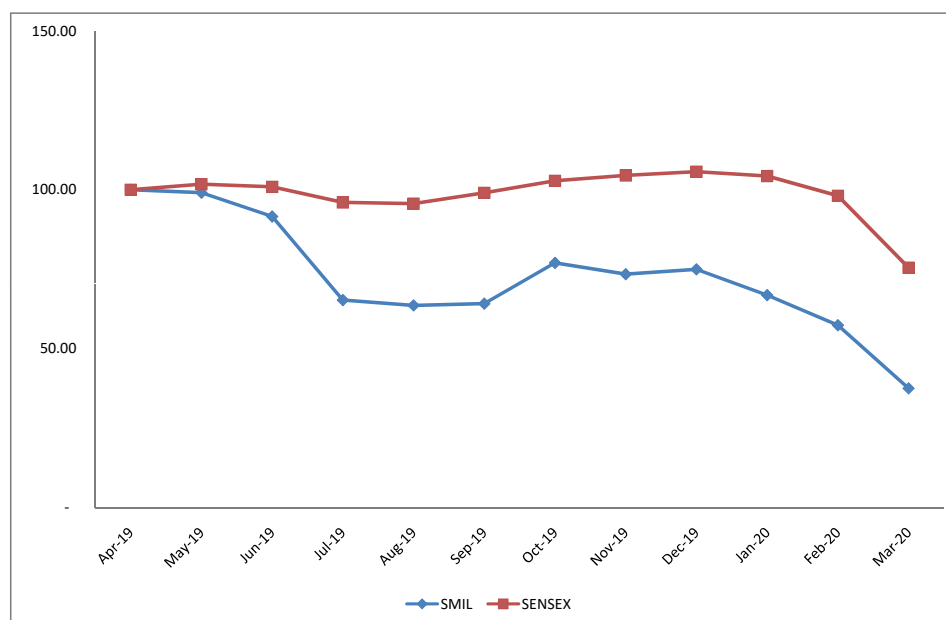
Performance of Sharda Motor Industries Limited (SMIL) share price in comparison of BSE SENSEX and NSE NIFTY 50

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

Base is considered to be 100 as at April, 2019 in both the charts. Further, during the year under review, Securities were never suspended from trading on the above said Stock Exchanges.



Source : www.nseindia.com



Source : www.bseindia.com

Dematerialization of shares and liquidity

The shares of the Company are generally traded in dematerialized form and are available for trading with both the depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2020, 98.58% shares of the Company are held in dematerialized form.

Outstanding GDRs / ADRs / Warrants: Not Issued

Plant Locations:

- Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune - 411013
- G-20, Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamilnadu - 602105
- Mahindra World City, Changalpattu Taluk, Kancheepuram Dist. Industrial Park, Tamilnadu - 603002
- Plot No.4, Sector - 31, Greater Noida, Distt. Gautam Budh Nagar, (U.P.)
- Plot No. 4, Sector-2, I.I.E. Ranipur, Haridwar (Uttanchal)
- Plot No.112, M.I.D.C., Satpur, Nasik-7, Maharashtra
- Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik-422007
- Plot No. C-8 Tata Motor, Vendor Park, North Kotpura, Sanand, Ahmedabad, Gujarat.
- Plot No. 558, 559, Surajpur Bypass Industrial Area, Greater Noida, (U.P.)

Address for Investors Correspondence: Registrar and Share Transfer Agent:
Alankit Assignments Limited
3E/7 Alankit Height, Jhandewlan
Extension, New Delhi 110055
Tel: 011-42541234, 23541234 Fax: 011-41543474
E-mail: rta@alankit.com

Company Secretary
Sharda Motor Industries Limited
D-188, Okhla Industrial Area Phase-I, New Delhi-110020
Tel: 011-47334100, Fax: 011-26811676
Email: investorrelations@shardamotor.com
Website: www.shardamotor.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sharda Motor Industries Limited, having CIN: L74899DL1986PLC023202 and Registered Office at D-188, Okhla Industrial Area, Phase-1, New Delhi – 110020, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub clause (i) of clause 10 of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S.No.	Name of Director	DIN	Date of Appointment in Company
1	Sharda Relan	00252181	29.01.1986
2	Rohit Relan	00257572	25.05.1991
3	Ajay Relan	00257584	29.01.1986
4	Kishan Nagin Parikh	00453209	16.12.2005
5	Ashok Kumar Bhattacharya	02804551	28.10.2009
6	Satinder Kumar Lambah	07425155	05.02.2016
7	Udayan Banerjee	00339754	13.02.2019
8	Nitin Vishnoi	08538925	03.09.2019

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

Place: Gurugram
Date: 19.06.2020

(Jaya Yadav)
Practising Company Secretary
C.P. No. :12070
UDIN: A024582B000358982

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations]

For The Financial Year 2019 – 2020

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY
1. Corporate Identity Number (CIN) of the Company

L74899DL1986PLC023202

2. Name of the Company

Sharda Motor Industries Limited ("Company")

3. Registered Address

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

4. Website

www.shardamotor.com

5. E-mail id

investorrelations@shardamotor.com

6. Financial Year reported

01.04.2019 to 31.03.2020

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

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

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

- Motor Vehicle Exhaust System
- Motor Vehicle Suspension System
- Motor Vehicle Sheet Metal Components
- Plastic parts for the Automotive and White Goods Industries.
- Seat Frames & Seat Trims for Cars

9. Total number of locations where business activity is undertaken by the Company
(a) Number of International Locations

Total Number: 0 (Zero)

(b) Number of National Locations

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

- Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune – 411013, Maharashtra
- G-20, Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamilnadu - 602105
- Mahindra World City, Changalpattu Taluk, Kancheepuram Dist. Industrial Park, Tamilnadu - 603002
- Plot No.4, Sector - 31, Greater Noida, Distt. Gautam Budh Nagar, (U.P.)
- Plot No. 4, Sector-2, I.I.E. Ranipur, Haridwar, Uttranchal
- Plot No.112, M.I.D.C., Satpur, Nasik-7, Maharashtra
- Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik-422007, Maharashtra
- Plot No. C-8 Tata Motor, Vendor Park, North Kotpura, Sanand, Ahmedabad, Gujarat.
- Plot No. 558, 559, Surajpur Bypass Industrial Area, Greater Noida, (U.P.)

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

All Markets, except International Market.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : 594.63 Lakhs
 2. Total Turnover (INR) : 86,298.81 Lakhs
 3. Total profit after taxes (INR) : 5,775.36 Lakhs
 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 0.27%
 5. List of activities in which expenditure in 4 above has been incurred :
- (i) Donation to Trust incorporated for social cause

SECTION C: OTHER DETAILS

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

No, the Sharda Motor Industries Limited does not have any Subsidiary Company(ies)

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

Since the Company does not have Subsidiary therefore it is Not Applicable to the Company.

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

The company has long lasting relationships with its suppliers. A majority of supplier base has been already covered by conducting awareness sessions on 'sustainability'. Suppliers, distributors are critical to the Company's operations and supply chain sustainability issues can impact its operations. The Company is also engage with suppliers through various channels for operational issues and also focus on emerging and futuristic technologies through Technology Day events.

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

Since this Business Responsibility Report is applicable to the Company, first time for this Financial Year 2019-20, therefore at present less than 30% of value chain entities participate in the Company's BR initiatives and there is a constant effort by the Company to extend these initiatives to larger value chain base.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

SN	Particulars	Details
1.	DIN Number	08538925
2.	Name	Nitin Vishnoi
3.	Designation	Executive Director & Company Secretary
4.	Telephone	011-47334100
5.	E-mail id	investorrelations@shardamotor.com

b) Details of the BR head

SN	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Divyang Jain
3.	Designation	Asst. Company Secretary
4.	Telephone	011-47334100
5.	E-mail id	investorrelations@shardamotor.com

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

(a) Details of Compliance

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

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

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

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

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

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

P5 – Businesses should respect and promote human rights.

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

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

P8 – Businesses should support inclusive growth and equitable development.

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

SN	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders	Y	N*	N*	N*	Y	N*	N*	N*	N*
3.	Does the policy conform to any national /international standards, If yes, specify	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board, if yes, has it been signed by MD/ owner/CEO/appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency	Y	N*	Y	N*	Y	N*	N*	N*	N*

*Since the Business Responsibility Report is applicable from this Financial Year, therefore the said Policies are being devised with the previous consultation with all stakeholders. However the relevant policies that are implemented have been evolved over a period of time by taking inputs from concerned stakeholders. The Evaluation of Policies shall also take place in during the course of time. The rest of the other policies shall be implemented / adopted across all the Group Companies / Joint Ventures / Suppliers / Contractors / Others / over a period of time.

Principle	Applicable Policies	Link for policies
Principle1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	a) Whistle Blower Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf
	b) Code of Conduct - Stakeholders	http://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	a) Code of Conduct - Stakeholders	http://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
	b) Sustainability Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Sustainability-Policy_Sharda-Motor.pdf
	c) Quality Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Quality-Policy_Sharda-Motor.pdf

Principle 3: Businesses should promote the well-being of all employees.	a) Human Rights Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Human-Rights-Policy.pdf
	b) Recruitment & Selection Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Recruitment-Policy-Selection-process.pdf
	c) CSR Policy	http://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy.pdf
	d) Environment, Healthy & Safety Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Environment-Health-Safety-Policy_Sharda-Motor.pdf
	e) NRC Policy	http://www.shardamotor.com/wp-content/uploads/2018/08/NRC-policy.pdf
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	a) Code for Stakeholders	http://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
	b) CSR Policy	http://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy.pdf
Principle 5: Businesses should respect and promote human rights.	Human Rights Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Human-Rights-Policy.pdf
Principle 6: Businesses should respect, protect, and make efforts to restore the environment.	a) Sustainability Policy,	http://www.shardamotor.com/wp-content/uploads/2020/08/Sustainability-Policy_Sharda-Motor.pdf
	b) Environment, Healthy & Safety Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Environment-Health-Safety-Policy_Sharda-Motor.pdf
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Code for Stakeholders	http://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
Principle 8: Businesses should support inclusive growth and equitable development.	a) Sustainability Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Sustainability-Policy_Sharda-Motor.pdf
	b) CSR Policy	http://www.shardamotor.com/wp-content/uploads/2016/07/Corporate-Social-Responsibility-Policy.pdf
	c) Quality Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Quality-Policy_Sharda-Motor.pdf
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	a) Code for Stakeholder	http://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
	b) Whistle Blower Policy	http://www.shardamotor.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf

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

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

Note No.1- All relevant Policies required for Principles (except 1 & 5) shall be formulated and implemented over a period of time by taking inputs from concerned stakeholders. Considering that the Business Responsibility Report are being applicable to the Company from this Financial Year 2019-20. The rest of the other policies shall be implemented / adopted across all the Group Companies / Joint Ventures / Suppliers / Contractors / Others / over a period of time.

3. Governance related to BR

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

The Audit Committees of the Board of Directors of the Company shall assess the BR performance of the Company once in every year. Since the Business Responsibility Report are being applicable from this Financial Year 2019-20, therefore the said Policies implemented have been evolved over a period of time by taking inputs from concerned internal stakeholders.

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

Yes, this Report are applicable from Financial Year 2019-20, for the first time to the Company and the BR Report shall be published as part of this Annual Report every year.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

No, since the Business Responsibility Report are applicable from this Financial Year 2019-20 and are approved by the Board of Directors at its Meeting held on 29th June, 2020. Accordingly the said Policies are not being extended to the Group/Joint Ventures/ Suppliers/Contractors and without any formal consultation with all stakeholders. However the relevant policies that are implemented have been evolved over a period of time.

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

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

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

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

- (a) Motor Vehicle Exhaust System
- (b) Motor Vehicle Suspension System
- (c) Motor Vehicle Sheet Metal Components
- (d) Plastic parts for the Automotive and White Goods Industries.
- (e) Seat Frames & Seat Trims for Cars

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Yes. The Company has taken steps towards purchasing goods and services from local suppliers. The Company has multiple plants spread across West, South and North of India and the Company obtained several goods and services from local and small vendors. Small and local vendors / suppliers plays a pivot role in supporting the needs and requirements of raw materials. The Company has been procuring several raw materials / equipments from local / regional vendors / suppliers

that falls under the category of Micro, Small, Medium Enterprise, considering that the Company has always aimed for the development of local and regional vendors of supplies for the ease of carrying out of Business.

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

The Company has system in place to recycle the utilized water in Sipkot, Chennai Plant and other plants. The recycled water is then re-utilized for within the Plant for several uses. The exact percentage of recycling of water cannot be ascertained however on the approximate basis, we can assume that the recycled water should be ranging between 5-10% of the each plant utilization of water. The scrap / waste raw materials that arise during the manufacturing process are not recycled within the plant rather send to the Recycling Plants.

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

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

Employee Status	As on 31 st March 2020
Regular Employees	
Staff	630
Workmen	437
Contractual	1446
Casual	477
Total Employees	2990

2. **Please indicate the Number of permanent women employees.**

22 (Twenty Two)

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

There are No permanent employees with disabilities

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

No, there is no such employee association that has been recognized by the Management.

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

No, 0 %

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

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

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

(a) **Permanent Employees** - 92% (on an average)

(b) **Permanent Women Employees** - Nil

(c) **Casual/Temporary/Contractual Employees** – 90% (on an average)

(d) **Employees with Disabilities** - Nil

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

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

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

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

Yes

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

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

Apart from the above the Company is committed towards making a sustainable impact on the society through its CSR projects and programmes in the long term like Building of Medical Centers, clinics and dispensaries.

Principle 5: Businesses should respect and promote human rights.

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

No, the policy of Human Rights of the Company does not extends to the Group / Joint Ventures / Suppliers / Contractors / Others as of yet. Since the Business Responsibility Report are applicable from this Financial Year 2019-20 and was approved by the Board of Directors of the Company at its Meeting held on 29th June, 2020. The said Policies are being devised with the previous consultation with all stakeholders. However the relevant policies including the Human Right Policy and other policies shall be implemented / adopted across all the Group Companies / Joint Ventures / Suppliers / Contractors / Others / over a period of time.

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

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

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

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

Sustainability is built into the Company's business processes through well-defined Sustainability Policy. This policy reaffirms value system committed to social expenditure, environmental preservation and governance structure that engages employees and other stakeholders. The Company also has Environmental Policy which is applicable to all its vendors, contractors and service providers. Since the Business Responsibility Report are applicable from this Financial Year 2019-20 and was approved by the Board of Directors of the Company at its Meeting held on 29th June, 2020. The Sustainability Policy and Environmental Policy are being devised with the previous consultation with all stakeholders. However the relevant policies including the Sustainability Policy and Environmental Policy and other policies shall be implemented / adopted across all the Group Companies / Joint Ventures / Suppliers / Contractors / Others / over a period of time.

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

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

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

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

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

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

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

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

(A) Energy:

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

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

(B) Technology:

The efforts made towards technology absorption;

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

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

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

(C) Renewable Energy:

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

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

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

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

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

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

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

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

No.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

No.

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

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

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

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

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

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

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

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

Please refer the Company's 'Annual CSR Report 2019-20' for details on community impacts created and assessed.

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

In the Financial Year 2019-20 the Company has spent Rs. 16.16 Lakhs on the community development projects / programmes.

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

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

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

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

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

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

- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

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

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

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

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

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

DECLARATIONS

Compliance with Code of Conduct

In accordance to Regulation 34(3) read with part D of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I, AJAY RELAN, Managing Director of Sharda Motor Industries Ltd, hereby declare that the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct of the Company during the year 2019-20.

For Sharda Motor Industries Ltd

Ajay Relan
Managing Director
DIN 00257584

CEO/CFO Certification

To,

Board of Directors, and Audit Committee
Sharda Motor Industries Limited
D – 188, Okhla Industrial Area, Phase I,
New Delhi - 110020

CERTIFICATE FOR THE YEAR ENDED 31.03.2020

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

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year 2019-20 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year 2019-20;
 - (ii) that there are no significant changes in accounting policies during the year 2019-20; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

For Sharda Motor Industries Limited

Date: 29th June, 2020
Place: New Delhi

Vivek Bhatia
President & Group Chief Financial Officer

Aashim Relan
Chief Executive Officer

AUDITORS' CERTIFICATE

To
The Members of
Sharda Motor Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Sharda Motor Industries Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

CA Deepak Pokhriyal
Partner
Membership No. 524778
ICAI UDIN: 20524778AAAABA8611

Place: New Delhi
Date : 29th June, 2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

The automobile industry in India is the world's fourth largest. India was the world's fourth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2019. Indian automotive industry (including component manufacturing) is expected to reach Rs 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Indian automobile industry received Foreign Direct Investment (FDI) worth US\$ 23.89 billion between April 2000 and December 2019. Five per cent of total FDI inflow in India went to automobiles sector. Domestic automobile production increased at 2.36 per cent CAGR between FY16-FY20 with 26.36 million vehicles manufactured in the country in FY20. Overall, domestic automobiles sales increased at 1.29 per cent CAGR between FY16-FY20 with 21.55 million vehicles being sold in FY20. Two wheelers and passenger vehicles dominate the domestic Indian auto market. Passenger car sales are dominated by small and mid-sized cars. Two wheelers and passenger cars accounted for 80.8 per cent and 12.9 per cent market share, respectively, accounting for a combined sale of over 20.1 million vehicles in FY20.

Overall, automobile export reached 4.77 million vehicles in FY20, growing at a CAGR of 6.94 per cent during FY16-FY20. Two wheelers made up 73.9 per cent of the vehicles exported, followed by passenger vehicles at 14.2 per cent, three wheelers at 10.5 per cent and commercial vehicles at 1.3 per cent. The government aims to develop India as a global manufacturing and research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRIP) centres as well as National Automotive Board to act as facilitator between the government and the industry. Under (NATRIP), five testing and research centres have been established in the country since 2015. NATRIP's proposal for "Grant-In-Aid for test facility infrastructure for Electric Vehicle (EV) performance Certification from NATRIP Implementation Society" under FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme was approved by Project Implementation and Sanctioning Committee (PISC) on January 03, 2019. The government has also set up an ambitious target of having only EVs being sold in the country. The Ministry of Heavy Industries, Government of India, has shortlisted 11 cities in the country for introduction of EVs in their public transport system under the FAME scheme. The first phase of the scheme was extended to March 2019 while in February 2019, the government approved FAME-II scheme with a fund requirement of Rs 10,000 crore (US\$ 1.39 billion) for FY20-22. Under Union Budget 2019-20, government announced to provide additional income tax deduction of Rs 1.5 lakh (US\$ 2146) on the interest paid on the loans taken to purchase EVs. The government of India expects automobile sector to attract US\$ 8-10 billion in local and foreign investment by 2023.

The automobile industry is highly competitive, both domestically and internationally, and is characterized by rapidly changing technology, evolving industry standards and changes in customer needs. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely and cost competitive basis will be a significant factor in our ability to remain competitive. To compete effectively in the automotive technology and components industry, we must be able to develop and launch new products to meet our customers' demands in a timely manner.

B. OPPORTUNITIES & THREATS

Over the last decade, the automobile components industry has registered a CAGR of 10.06 per cent and reached US\$ 56.52 billion in FY19 while export grew at CAGR of 8.34 per cent during FY14-FY19 to touch US\$ 15.17 billion in FY19. The auto components industry accounted for 2.3 per cent of India's Gross Domestic Product (GDP) and 25 per cent to its manufacturing GDP, providing employment to 50 lakh people in 2018-19. Automobile component industry's revenue stood at US\$ 56.52 billion in FY19, up from US\$ 35 billion in FY14. As per Automobile Component Manufacturers Association (ACMA), automobile component export from India is expected to reach US\$ 80 billion by 2026. The Indian auto component industry aims to achieve US\$ 200 billion in revenue by 2026.

THREATS

The auto component industry has various threats which are common to all the players of the industry and to some extent are by-products of the growth in this sector like stiff competition from foreign players who are playing at large scale and giving price competition to the local manufacturers, low Product differentiation. To some extent bargaining power of both the suppliers and clients is also affecting the industry. Softening of interest rate lower than expected, tightening money supply, volatility in the price of raw materials and other inputs, currency fluctuations, stringent emission norms are other major threats faced by the Companies.

The global spread of the COVID-19 pandemic, which originated in late 2019 and was later declared a pandemic by the World Health Organization in March 2020, has negatively impacted the global economy, disrupted supply chains and created significant volatility in global financial markets. Most notably with respect to the automotive industry, we are facing the challenges of work stoppages and travel restrictions at our facilities and decreases in consumer demand and disruptions to our supply chain, impacts resulting from the COVID-19 pandemic and "lock-down" orders by government. We expect to experience continued adverse impacts resulting from the pandemic throughout the second quarter of 2020 and possibly beyond. However, we continue to actively monitor the ongoing potential impacts of COVID-19 and will seek to aggressively mitigate and minimize its impact on our business.

C. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

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

D. RISKS AND CONCERNS

The risks and concerns of the Indian auto component industry are closely linked with stiff overseas competition, uncertainty

arising from currency volatility, low-priced imports, counterfeit parts and oil pricing. The industry efforts to mitigate the above risks along with policy measures of the government would determine the impact of the above risks on the industry going forward.

Operational risks like shortage of power which leads to increase in cost of production and change in technology which makes existing technology obsolete, rupees Depreciation at the time of import are major concern for the business. In addition to this, demand of auto component sector is dependent on the automobile sector which makes the market uncertain at times. Constantly changing regulatory environment always carries with it the risk of high taxes or duties which may increase cost to the company and also competition from foreign substitutes.

Apart from this, company also face foreign exchange risk, fluctuation in the price of raw material, excess capacity, entry of foreign players in the domestic market, high market share of unorganized sector etc.

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

E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

The Audit findings are reported on quarterly basis to the Audit Committee of the Board headed by a Non-executive Independent Director. The Company has robust ERP systems based on Microsoft Dynamics platform. This ensures high degree of system based checks and controls. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness.

F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

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

G. HUMAN RESOURCES AND DEVELOPMENT

At SMIL, we believe in fostering equal employment opportunities, where individuals are selected and treated on the basis of their job-relevant merits and are given equal opportunities within the organization. Your company always strives to achieve maximum employee satisfaction and has initiated many programs on up-skilling/ training and empowerment of its employees. The Company has criteria for hiring of best talent in the Company who can provide quality of work and add to the Company's growth.

The Company had 1067 permanent employees as on 31st March, 2020. The industrial relations remained peaceful and cordial throughout the year.

H. STATUTORY COMPLIANCE

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

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

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

In pursuant to the amendment made under Schedule V to the Listing Regulations read with Regulation 34(3) of the SEBI Listing Regulations, pursuant to Scheme of arrangement ("Scheme") under Section 230 to 232 of the Companies Act, 2013, and other relevant provisions of the Act, as applicable from time to time, approved by Hon'ble National Company Law Tribunal ("Tribunal"), New Delhi Bench vide order dated February 20, 2020, the Automobile Seating Under taking of Sharda Motor Industries Limited has been demerged and transferred / vested into NDR Auto Components Limited. Therefore, the figures for the year ended March 31, 2020 are not comparable with the corresponding figures for the year ended March 31, 2019. However, There are no significant changes (i.e. change of 25% or more from the comparable figures of the previous year) in Key Financial Ratios and Return on Net Worth.

Cautionary Statement

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

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

INDEPENDENT AUDITOR'S REPORT

To The Members of Sharda Motor Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sharda Motor Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit including other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

- We draw attention to Note No. 41 to the standalone financial statements in respect to arrangement between Sharda Motor Industries Limited (Demerged Company) and NDR Auto Components Limited (Resulting Company) and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013, as approved by the Hon'ble Bench of NCLT, New Delhi on February 20, 2020, the Automobile Seating Undertaking of the Sharda Motor Industries Limited has been demerged and transferred to NDR Auto Components Limited with effect from closing business hours of December 31, 2018 (the Appointed Date).
- We draw attention to Note No. 43 of the standalone financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>De-merger of the Automobile Seating Undertaking of Sharda Motor Industries Limited</p> <p>As described in Note No. 41 of the standalone financial statements. A business combination in nature of demerger has taken place in which significant judgments were required related to:</p> <ul style="list-style-type: none"> - determining the acquisition date; - derecognizing the identifiable assets and assumed liabilities; and - determination of the consideration of business combination. 	<p>Following procedures have been performed to address this key audit matters:</p> <ul style="list-style-type: none"> We reviewed the board resolution to ensure the approval of the scheme of demerger and other power used to give effect of demerger. We reviewed the approved Scheme of Arrangement to ensure the acquisition date, to identify assets and liabilities to be transferred to resulting companies. We refer the applicable accounting standard to ensure the effect of demerger in the standalone financial statement.

2.	<p>Completeness and measurement of Contingent Liabilities arising from uncertain tax positions and disputed matters</p> <p>In the standalone financial statements, contingent liabilities arising from uncertain tax positions and disputed matters as reported under the Note No. 21.1 to the financial statements for the year ended 31.03.2020. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the Company's management.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> We discussed with the management regarding the internal control system for identifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the standalone financial statements. Obtained a detailed understanding and assumptions applied for considering these matters as contingent liabilities through discussion with the management of the Company. Assessed management's estimate of the possible outcome of the disputed cases. In addition, we engaged our internal tax expert to assess the appropriateness of Company's assumption and explanations for these matters. In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the standalone financial statements.
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Information Other than the Standalone Financial Statements and Auditors' Report Thereon

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures

made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial – refer Note 21.1 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)

Partner

Membership Number: 524778

ICAI UDIN: 20524778AAAAB9382

Place of Signature: New Delhi

Date: June 29, 2020

Annexure 'A' To the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020, we report that:

- (i) In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at periodic intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) On the basis of information and explanation provided by the management, the title deeds of immovable properties are held in the name of the Company.
- (ii) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year, except for stock-in-transit and stocks lying with third parties. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories by the management.
- (iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) According to the information and explanations given to us, the Company has not entered into any transaction covered under section 185. The Company has complied with the provisions of Sections 186 of the Act in respect of investments made. The Company has not granted any loans and has not provided any guarantees or securities to parties covered under Section 186 of the Act.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company, pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (I) of Section 148 of the Act in respect of product covered and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and other applicable statutory dues with the appropriate authorities.
 There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other applicable statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except duty of custom of Rs.6.59 lakhs.
 - (b) According to the information and explanations given to us, except as stated below, there are no dues of income tax, sales tax, value added tax, service tax, goods and services tax, duty of customs and duty of excise, which have not been deposited by the Company with the appropriate authorities on account of any disputes:

S. No.	Nature of statute	Nature of dues	Amount (Rs. in lakhs)*	Period to which amount relates	Forum where dispute is pending
1	Maharashtra Sales Tax Act	VAT	23.69	F.Y. 2010-11	Sales Tax Tribunal, Nashik
			9.39	F.Y. 2011-12	Joint Commissioner, Nashik
2	Tamil Nadu Sales Tax Act	VAT	29.72	F.Y. 2005-06 & 2006-07	High Court, Madras
3	Service Tax under Finance Act, 1994	Service Tax	35.42	F.Y. 2011-12, 2012-13, 2013- 14, 2014-15 & 2015-16	CESTAT, Chennai
			15.70	F.Y. 2011-12, 2012-13, 2013- 14 & 2014-15	CESTAT, Chennai
4	Central Excise Act	Cenvat Credit	440.00	F.Y. 2008-09 & 2009-10	Hon'ble Supreme Court of India
5	Income Tax Act	Income Tax	1.03	A.Y. 2013-14	CIT (Appeal), New Delhi
		Income Tax	308.15	A.Y. 2017-18	CIT (Appeal), New Delhi

*Net of protest money paid.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or government nor has it issued any debentures. Accordingly, paragraph 3(viii) of the Order

is not applicable to the Company.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (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, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)

Partner

Membership Number: 524778

ICAI UDIN: 20524778AAAABB9382

Place of Signature: New Delhi

Date: June 29, 2020

Annexure 'B' To the Independent Auditors' Report

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Sharda Motor Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)

Partner

Membership Number: 524778

ICAI UDIN: 20524778AAAABB9382

Place of Signature: New Delhi

Date: June 29, 2020

Balance Sheet As At March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No	As At March 31, 2020	As At March 31, 2019
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	17,544.07	19,239.26
(b) Capital work in progress	5	87.16	26.84
(c) Right-of-use assets	6	1,009.64	-
(d) Intangible assets	7	67.88	176.14
(e) Financial assets			
(i) Investments	8	2552.45	217.25
(ii) Other financial assets	9	222.97	307.04
(f) Non-current tax asset (net)	10	278.22	74.57
(g) Other non-current assets	11	1,011.36	1,833.96
Total non-current assets		22,773.75	21,875.06
Current assets			
(a) Inventories	12	10,693.42	10,310.04
(b) Financial assets			
(i) Investments	8	1,676.06	8,235.82
(ii) Trade receivables	13	11,705.33	13,211.46
(iii) Cash and cash equivalents	14	7,860.17	7,042.48
(iv) Bank balances other than (iii) above	15	6,770.51	7,070.79
(v) Other financial assets	9	499.64	188.16
(c) Other current assets	11	487.99	511.10
(d) Asset held for sale		18.00	19.57
Total current assets		39,711.12	46,589.42
Total assets		62,484.87	68,464.48
II. Equity and liabilities			
Equity			
(a) Equity share capital	16	594.63	594.63
(b) Other equity	17	36,128.07	43,233.95
Total equity		36,722.70	43,828.58
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19	1,014.73	-
(ii) Other financial liabilities	19	27.79	34.30
(b) Provisions	21	444.33	524.03
(c) Deferred tax liabilities (net)	33	21.81	595.20
Total non-current liabilities		1,508.66	1,153.53
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
- Total outstanding dues of micro and small enterprises		349.28	345.24
- Total outstanding dues of creditors other than micro and small enterprises		20,302.37	18,771.08
(ii) Lease liabilities	19	57.17	-
(iii) Other financial liabilities	19	1,189.59	1,040.89
(b) Other current liabilities	20	1,710.72	2,859.89
(c) Provisions	21	644.38	465.27
Total current liabilities		24,253.51	23,482.37
Total liabilities		25,762.17	24,635.90
Total equity and liabilities		62,484.87	68,464.48
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

For & on behalf of Board of Directors of
Sharda Motor Industries Limited
(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN: 20524778AAAAB9382

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Place of Signature : New Delhi
Date : 29th June, 2020
(Vivek Bhatia)
President & Group CFO
M.No. 89846

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

Statement of profit and loss for year ended March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	22	86,298.81	113,987.27
II Other income	23	2,373.27	2,197.71
III Total income (I+II)		88,672.08	116,184.98
IV Expenses			
(a) Cost of materials consumed	24	52,284.35	70,971.10
(b) Purchases of stock-in-trade	25	5,974.42	6,989.97
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	26	329.17	(325.78)
(d) Employee benefits expense	27	8,496.97	8,578.33
(e) Finance costs	28	92.82	4.59
(f) Depreciation and amortization expense	29	4,021.28	4,096.83
(g) Other expenses	30	9,625.54	13,240.65
Total expenses		80,824.55	103,555.68
V Profit before exceptional items and tax (III-IV)		7,847.53	12,629.30
VI Exceptional items		-	-
VII Profit before tax (V-VI)		7,847.53	12,629.30
VIII Tax expense:			
(a) Current tax	31	2,456.00	4,022.65
(b) Deferred tax	31	(383.83)	(179.39)
Total tax expense		2,072.17	3,843.26
IX Profit for the year (VII-VIII)		5,775.36	8,786.04
X Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Re-measurement gains/ (losses) on defined benefit plans		(12.74)	(18.38)
- Income tax on items that will not be reclassified to profit or loss	32	3.21	6.42
Total other comprehensive income for the year, net of tax		(9.53)	(11.96)
XI Total comprehensive income for the year, net of tax (IX+X)		5,765.83	8,774.08
XII Earnings per share: (Face value ₹ 10 per share)	34		
1) Basic (amount in ₹)		97.12	147.76
2) Diluted (amount in ₹)		97.12	147.76
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

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

For & on behalf of Board of Directors of
Sharda Motor Industries Limited
(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN: 20524778AAAABB9382

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Place of Signature : New Delhi
Date : 29th June, 2020
(Vivek Bhatia)
President & Group CFO
M.No. 89846

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

Statement of changes in equity for the year ended March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

A. Equity Share Capital*	Amount			
Balance as at March 31, 2018	594.63			
Changes during the year	-			
Balance as at March 31, 2019	594.63			
Changes during the year	-			
Balance as at March 31, 2020	594.63			
B. Other Equity**				
	Reserve & Surplus			
	Capital Reserve	General Reserve	Retained earnings	Total
Balance as at March 31, 2018	0.20	21,025.68	13,882.25	34,908.13
Profit for the year	-	-	8,774.08	8,774.08
Payment of Dividend	-	-	(371.65)	(371.65)
Dividend Distribution Tax			(76.61)	(76.61)
Balance transferred pursuant to scheme (refer note no - 41)	-	-	(12,871.71)	(12,871.71)
Balance as at March 31, 2019	0.20	21,025.68	9,336.36	30,362.24
Profit for the year	-	-	5,765.83	5,765.83
Balance as at March 31, 2020	0.20	21,025.68	15,102.19	36,128.07
* For details, refer note no. 16				
** For details, refer note no. 17				
Summary of Significant Accounting Policies	3			

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

For & on behalf of Board of Directors of
Sharda Motor Industries Limited
(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN: 20524778AAAABB9382

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Place of Signature : New Delhi
Date : 29th June, 2020
(Vivek Bhatia)
President & Group CFO
M.No. 89846

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

Cash Flow Statement for the year ended March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	7,847.53	12,629.30
Adjustments for:		
Balance transferred pursuant to scheme of arrangement (refer note no - 41)	(12,871.71)	-
Depreciation and amortization	4,021.28	4,096.83
Finance cost	92.82	4.59
Interest income	(545.12)	(459.03)
Interest income under effective interest rate method on security deposits at amortised cost	-	(0.83)
Dividend Income - Non-current investment	-	(93.75)
Dividend Income - Current investment	-	(61.22)
Loss / (Gain) on sale of financial asset measured at Fair value through profit and loss (FVTPL)	(250.54)	(352.66)
Loss / (Gain) on disposal of property, plant and equipment (net)	(886.79)	(263.40)
Fair value gain on investment in mutual fund designated at FVTPL	(13.85)	(366.24)
Unrealized loss/(gain) on reinstatement of foreign exchange (net)	11.80	47.88
Operating profit / (loss) before adjustments	(2,594.58)	15,181.47
Movement in working capital:		
Decrease/(increase) in inventories	(383.38)	(1,748.00)
Decrease/(increase) in trade receivables	1,506.13	(983.64)
Decrease/(increase) in other financial assets	(165.67)	(15.73)
Decrease/(increase) in other assets	12.17	37.00
Increase/(decrease) in trade payables	1,523.53	789.56
Increase/(decrease) in other liabilities	(1,149.17)	97.06
Increase/(decrease) in other financial liabilities	244.86	(1.10)
Increase/(decrease) in provisions	86.66	145.32
Cash generated from operating activities	(919.45)	13,501.93
Income Tax (paid)/ refund	(2,086.26)	(4,047.16)
Net cash from operating activities - (A)	(3,005.71)	9,454.77
B CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including capital work-in-progress	(3,248.16)	(6,404.08)
Acquisition of intangible assets including intangible assets under development	(31.39)	(45.40)
Proceeds from disposal of property, plant and equipment	1,931.50	721.39
Payments for purchase of investments	(18,488.42)	(20,008.08)
Proceeds from sale of investments	22,977.36	22,897.24
Bank deposits (made)/realised	300.27	(1,900.62)
Dividend Income - Non-current investment	-	93.75
Dividend Income - Current investment	-	61.22
Interest received	482.54	426.66
Net cash used in investing activities - (B)	3,923.71	(4,157.92)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(6.59)	(4.59)
Cash payments for the Interest portion of the lease liability	(86.23)	-
Dividend paid (including corporate dividend tax)	(7.49)	(450.52)
Net cash used in financing activities - (C)	(100.31)	(455.11)
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	817.69	4,841.75
Cash and cash equivalents at the beginning of the year	7,042.48	2,200.73
Cash and cash equivalents at the end of the year [refer note 14]	7,860.17	7,042.48

Note:

- The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7- "Statement of cash flow".
- Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less (refer note 14).
- For components of cash and cash equivalents refer note no.14.
- Cash flows from operating activities include Rs.16.16 Lakhs (March 31, 2019: Rs.13.90 Lakhs) being expenses towards Corporate Social Responsibility initiatives.

As per our Report of even date attached

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN: 20524778AAAAAB9382

Place of Signature : New Delhi
Date : 29th June, 2020

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

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Vivek Bhatia)
President & Group CFO
M.No. 89846

(Ajay Relan)
Managing Director
DIN 00257584

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

(Aashim Relan)
Chief Executive Officer

Notes to financial statements for the year ended March 31, 2020

Note 1: Corporate Information

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

During the year ended March 31, 2019, a scheme of de-merger between the Automobile Seating Business of Sharda Motor Industries Limited ("Transferor Company") was filed before the National Company Law Tribunal, New Delhi ("The Scheme") and the approval on the same was pronounced via order dated February 20, 2020. The de-merger was effectuated for F.Y. 2018-19 in the effect of provisions contained in provisions contained in Para 9 (iii) of Appendix C of Ind AS 103. Wherever applicable, the financial statements for the year ended March 31, 2020 represents the demerged financials of Sharda Motor Industries Limited.

Note 2: Basis of preparation of Financial statements

2.1 Statement of Compliance:

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

The financial statements were authorized for issue by the Company's Board of Directors on 29th June 2020.

2.2 Basis of preparation and presentation:

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

The principal accounting policies are set out below.

2.3 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2020 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.4 Use of estimates and judgments:

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

Judgements

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

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources

- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.

2.5 Measurement of fair values:

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

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

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

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

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

2.6 Operating cycle:

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

Note 3: Summary of Significant accounting policies

3.1 Revenue recognition and presentation:

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

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

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

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

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

Rendering of Services

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

Dividend and Interest Income

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

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

3.2 Impairment of Financial Assets

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

3.3 Impairment of Non-Financial Assets

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

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

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

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

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

3.4 Recognition of interest expense:

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

3.5 Property, Plant and Equipment (PPE):

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

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

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

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

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

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

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

Depreciation: Depreciation is provided using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II based on the technical estimate made by the management.

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Plant & Machinery	20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%

3.6 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware), Technical Know-How and Guidance Fee. Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortisation method and useful lives: Intangible assets other than Technical Know-How and Guidance Fee are amortized on a straight line basis over the estimated life of three years and Technical Know-How and Guidance Fee is amortised on straight line method over the estimated life of 6 years from the date of capitalisation.

3.7 Research & Development Costs:

- The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.
- Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.8 Borrowing costs:

Borrowing costs directly attributable to acquisition or construction or production of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

3.9 Foreign currencies:

Functional and presentational currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

The Company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of Company itself. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in profit or loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

3.10 Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

3.11 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.12 Employee Benefits:**Short Term Employee Benefits**

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset/prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund and employee state insurance are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Other Long Term Employee Benefits

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

3.13 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

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

Contingent assets are disclosed when there is a possible asset that arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

3.14 Financial instruments:

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

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

(a) Financial Assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

Classification of financial assets

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

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

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

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

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

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

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

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

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

Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has an equity investment in an entity which is not held for trading. The Company has elected to measure this investment at amortised cost. Dividend, if any, on this investments is recognised in profit or loss.

Equity investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Financial assets at fair value through profit or loss (FVTPL)

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

Investments in mutual funds are measured at fair value through profit and loss. Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Trade receivables

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

Impairment of financial assets

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

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

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

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

Derecognition of financial assets

A financial asset is derecognised only when

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

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship.

Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

(b) Financial liabilities and equity instruments**Classification of debt or equity**

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

Trade and other payables

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

Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

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

3.15 Derivative financial instruments

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

3.16 Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

3.17 Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.18 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.19 Dividends:

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

3.20 Assets Held for Sale:

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

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

3.21 Earnings per share (EPS):

Basic earnings per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

Note 4 : Property, Plant and Equipment

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Freehold land	Right-of-use Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at March 31, 2018	1,403.31	642.22	13,555.54	4,989.24	237.23	135.32	93.12	1,062.81	438.95	22,557.74
Add: Additions made during the year	-	-	5,249.83	4.56	10.82	25.42	4.44	3.84	398.03	5,696.94
Less: Disposals / adjustments during the year	-	-	711.05	-	0.52	0.19	0.01	0.72	66.70	779.20
As at March 31, 2019	1,403.31	642.22	18,094.32	4,993.80	247.53	160.55	97.55	1,065.93	770.28	27,475.49
Less: Transfer pursuant to scheme of arrangements*	752.84	-	1,660.23	1,235.88	62.82	5.30	23.79	243.87	12.15	3,996.88
Add: Additions made during the year	-	-	6,821.92	15.50	17.36	47.75	2.06	8.30	54.44	6,967.33
Less: Disposals / adjustments during the year	-	-	1,463.20	-	1.40	1.41	0.86	6.59	19.49	1,492.95
As at March 31, 2020	650.47	642.22	21,792.81	3,773.42	200.67	201.59	74.96	823.77	793.08	28,952.99
Accumulated depreciation and impairment										
As at March 31, 2018	-	17.34	5,368.46	941.37	105.79	71.84	41.44	353.11	172.63	7,071.98
Add: Depreciation charge for the year	-	8.67	2,613.06	403.07	36.98	39.32	14.13	132.02	153.70	3,400.95
Less: On disposals / adjustments during the year	-	-	279.23	-	0.52	0.19	-	0.72	36.31	316.97
As at March 31, 2019	-	26.01	7,702.29	1,344.44	142.25	110.97	55.57	484.41	290.02	10,155.96
Less: Transfer pursuant to scheme of arrangements*	-	-	109.49	31.27	3.62	0.70	1.77	12.77	1.13	160.75
Add: Depreciation charge for the year	-	8.67	2,930.94	247.15	18.31	34.84	5.56	66.49	145.02	3,456.98
Less: On disposals / adjustments during the year	-	-	450.97	-	1.39	1.41	0.86	6.56	12.49	473.68
As at March 31, 2020	-	34.68	10,072.77	1,560.32	155.55	143.70	58.50	531.57	421.42	12,978.51

* Refer note no-41

Research & Development

Particulars	Freehold land	Right-of-use Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
<u>Gross carrying amount</u>										
As at March 31, 2018	-	-	2,053.86	599.63	34.36	30.08	9.56	139.67	18.00	2,885.16
Add: Additions made during the year	-	-	294.42	-	0.73	14.17	0.00	-	10.66	319.98
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	2,348.28	599.63	35.09	44.25	9.56	139.67	28.66	3,205.14
Add: Additions made during the year	-	-	-	-	0.42	16.10	1.85	-	-	18.37
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	-	2,348.28	599.63	35.51	60.35	11.41	139.67	28.66	3,223.51
<u>Accumulated depreciation and impairment</u>										
As at March 31, 2018	-	-	753.05	55.93	17.95	17.70	2.62	46.04	5.52	898.81
Add: Depreciation charge for the year	-	-	325.19	25.98	5.23	5.99	1.79	16.97	5.46	386.61
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	1,078.24	81.91	23.18	23.69	4.41	63.01	10.98	1,285.42
Add: Depreciation charge for the year	-	-	305.30	24.74	3.52	13.00	3.03	13.89	5.02	368.50
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	-	1,383.54	106.65	26.70	36.69	7.44	76.90	16.00	1,653.92
<u>Net carrying amount</u>										
As at March 31, 2020	650.47	607.54	12,684.78	2,706.08	53.93	81.55	20.43	354.97	384.32	17,544.07
As at March 31, 2019	1,403.31	616.21	11,662.07	4,167.08	117.19	70.14	47.14	658.18	497.95	19,239.26

Notes:
1. Details of assets charged to Banks:

- i) Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital lenders.

(Currency : ₹ in Lakhs except otherwise specified)

Note 5 : Capital work In progress

Plant & Machinery

	As At March 31, 2020	As At March 31, 2019
	87.16	26.84
	87.16	26.84

Note 6 : Right-of-use Assets*

Particulars	Right-of-use assets
<u>Gross Carrying Amount</u>	
As at April 01, 2019	-
Add: Transition impact of Ind AS 116	1,065.79
Add: Additions made during the year	-
As at March 31, 2020	1,065.79
<u>Accumulated depreciation and impairment</u>	
As at April 01, 2019	-
Add: Depreciation charge for the year	56.15
As at March 31, 2020	56.15
<u>Net carrying amount</u>	
As at March 31, 2020	1,009.64

*Note: 1. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset ('ROU') at an amount equal to the lease liability. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

Note 7 : Intangible assets

Particulars	Computer Software	Technical Knowhow & Guidance	Total
<u>Gross carrying amount</u>			
As at March 31, 2018	43.53	1,179.20	1,222.73
Add: Additions made during the year	45.41	-	45.41
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	88.94	1,179.20	1,268.14
Less: Transfer pursuant to scheme of arrangements *	8.02	-	8.02
Add: Additions made during the year	23.05	-	23.05
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2020	103.97	1,179.20	1,283.17
<u>Accumulated amortisation and impairment</u>			
As at March 31, 2018	16.92	863.36	880.28
Add: Amortisation for the year	19.29	238.08	257.37
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	36.21	1,101.44	1,137.65
Less: Transfer pursuant to scheme of arrangements *	1.39	-	1.39
Add: Amortisation for the year	22.23	77.76	99.99
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2020	57.05	1,179.20	1,236.25

* Refer note no-41

Research & Development

Particulars	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
As at March 31, 2018	168.12	22.54	190.66
Add: Additions made during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	168.12	22.54	190.66
Add: Additions made during the year	14.97	-	14.97
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2020	183.09	22.54	205.63
Accumulated amortisation and impairment			
As at March 31, 2018	70.57	22.54	93.11
Add: Amortisation for the year	51.90	-	51.90
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	122.47	22.54	145.01
Add: Amortisation for the year	39.66	-	39.66
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2020	162.13	22.54	184.67
Net carrying amount			
As at March 31, 2020	67.88	0.00	67.88
As at March 31, 2019	98.38	77.76	176.14

Note 8 : Investments
NON-CURRENT
Investments measured at cost
In equity shares of Associate

Quoted, fully paid up

NIL* (March 31, 2019: 9,000,000) Equity Shares of ₹ 2/- each of Bharat Seats Limited {including 4,500,000 Bonus Shares (March 31, 2019: 4,500,000) }	-	90.00
	-	90.00

In equity shares of Associate

Unquoted, fully paid up

490,000 (March 31, 2019: 490,000) Equity shares of ₹ 10 each of Relan Industrial Finance Limited	49.00	49.00
	49.00	49.00

In equity shares of Joint Venture

Unquoted, fully paid up

NIL* (March 31, 2019: 5,000) Equity shares of ₹ 10 each of Toyota Boshoku Relan India Private Limited	-	0.50
NIL* (March 31, 2019: 750,000) Equity shares of ₹ 10 each of Toyo Sharda India Private Limited	-	75.00
25,000,000 (March 31, 2019: 10,000) Equity shares of ₹ 10 each of Exhaust Technology Private Limited	2,500.00	-
	2,500.00	75.50

In equity shares of Wholly owned Subsidiary

Unquoted, fully paid up

NIL* (March 31, 2019 : 10,000) Equity shares of ₹ 10 each of NDR Auto Components Limited	-	1.00
	-	1.00

In equity shares of Other

Unquoted, fully paid up

34,500 (March 31, 2019: 17,500) Equity shares of ₹ 10 each of Windage Power Company Private Limited

3.45

1.75

3.45
1.75
Information about Subsidiary, Associates & Joint Ventures

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest	
	As At March 31, 2020	As At March 31, 2019
Associates		
Bharat Seats Limited, India, Manufacturing of Seating System*	-	28.66
Relan Industrial Finance Limited, India, Service provider of investments	47.12	47.12
Joint Ventures		
Toyota Boshoku Relan India Private Limited, India, Manufacturing of Seating System*	-	50.00
Toyo Sharda India Private Limited, India, Manufacturing of Seating System*	-	50.00
Exhaust Technology India Private Limited, India, Manufacturing of exhaust systems	50.00	-
Wholly owned Subsidiary		
NDR Auto Components Limited, India, Manufacturing of Seating System*	-	100.00
Total (A)	2,552.45	217.25

*Transfer of investment pursuant to scheme of arrangements (refer note no.41)

CURRENT
Investment measured at fair value through profit or loss
Investment In Mutual Fund (Quoted)

- Nil (March 31, 2019: 6,999,407.76) units of Reliance Short Term Fund (Growth)	-	2,430.21
- Nil (March 31, 2019: 3,776,031.01) units of ICICI Prudential Short Term plan Regular (Growth)	-	1,458.33
- Nil (March 31, 2019: 408,105.3) units of Aditya Birla Sunlife Short Term Fund (Growth)	-	292.39
- Nil (March 31, 2019: 223,015.17) units of ICICI Prudential equity & debt fund (Growth)	-	299.82
- Nil (March 31, 2019: 582,328.09) unit of Reliance prime debt Fund (Growth)	-	227.80
- Nil (March 31, 2019: - 39,80,758.54) units SBI Equity Savings Fund - Regular Plan-Growth	-	202.17
- Nil (March 31, 2019: 54,519.21) units ICICI Prudential Money Market Fund - Growth	-	462.89
- Nil (March 31, 2019: 41,199.265) units SBI Premier Liquid Fund	-	1,200.00
- 50 (March 31, 2019: 50) units NHAI 2030 - Tax free Bond	597.99	572.22
- 50,000 (March 31, 2019: 50,000) units REC 2022 - Tax free Bond	540.01	550.00
- 50,000 (March 31, 2019: 50,000) units IRFC 2022 - Tax free Bond	538.06	539.99
Total (B)	1,676.06	8,235.82
Total (A+B)	4,228.51	8,453.07
Aggregate value of unquoted investments	2,552.45	127.25
Aggregate value of quoted investments	1,606.91	7,390.00
Market value of quoted investments	1,676.06	16,443.82
Aggregate value of impairment in the value of investment	-	-

Note 9 : Other financial assets

(Unsecured and considered good, unless otherwise stated)

Non- current

Security deposits
(Refer to note 'a' below)

Deposits with original maturity of more than 12 months and remaining maturity of more than 12 months (Refer to note 'b' below)

Total (A)

Current

Staff Advance

Interest accrued on fixed deposits

Interest accrued others

Receivable from related parties

(Refer to note 'c' below)

Total (B)**Total (A+B)**

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.

b) Margin Money Deposit is pledged with Canara bank amounting to ₹ Nil (March 31, 2019: ₹ 5.00 Lakhs).

c) For detailed related party disclosures, refer note no. 36.

Note 10 : Non-current tax asset

Advance Income Tax

(Net of provision for income tax of ₹ 12,830.39 Lakhs (March 31, 2019 : ₹ 10,351.66 Lakhs))

Note 11 : Other assets

(Unsecured and considered good, unless otherwise stated)

Non- Current

Capital advances (refer note below)

Prepaid Expenses

Total (A)

Current

Balance with Statutory Authorities

Advances to Suppliers

Prepaid Expenses

Other Receivable*

Total (B)

Total (A+B)

*Other receivable includes duty drawback receivable, staff imprest account etc.

As At March 31, 2020	As At March 31, 2019
222.97	302.04
-	5.00
222.97	307.04
28.24	21.24
214.79	153.34
6.07	4.96
250.54	8.62
499.64	188.16
722.61	495.20

As At March 31, 2020	As At March 31, 2019
278.22	74.57
278.22	74.57

As At March 31, 2020	As At March 31, 2019
1,000.42	1,833.96
10.94	-
1,011.36	1,833.96
28.42	51.41
280.75	280.13
174.85	169.49
3.97	10.07
487.99	511.10
1,499.35	2,345.06

Note: Details of Capital commitment is as follows:

Particulars	As At March 31, 2020	As At March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts, net of capital advance.	630.06	2,345.30
	630.06	2,345.30

Note 12: Inventories

(Valued at lower of cost or net realizable value)

	As At March 31, 2020	As At March 31, 2019
Raw Materials	8,604.20	7,659.54
Raw Materials - In Transit	232.27	289.49
Work In Progress	1,653.49	2,108.06
Consumable Stores and Spares	203.46	252.95
	10,693.42	10,310.04

Note:

- The mode of valuation of inventories has been stated in note 3.10.
- Inventories have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

Note 13 : Trade receivables

	As At March 31, 2020	As At March 31, 2019
Unsecured, Considered Good	11,705.33	13,211.46
Unsecured, Considered credit impaired	2.51	2.51
	11,707.84	13,213.97
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	2.51	2.51
	11,705.33	13,211.46

- Trade receivables have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.
- Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

Note 14 : Cash and cash equivalents

	As At March 31, 2020	As At March 31, 2019
Balances with banks:		
- on current account	7,859.97	6,042.32
- deposits with original maturity of less than 3 months	-	1,000.00
Cash on hand	0.20	0.16
	7,860.17	7,042.48

- Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 15 : Bank balances other than cash and cash equivalents

	As At March 31, 2020	As At March 31, 2019
Balances with banks:		
Unclaimed dividend account	32.21	39.70
Deposits with original maturity of more than 3 months but less than 12 months	2,628.30	4,031.09
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	4,110.00	3,000.00
	6,770.51	7,070.79

Note 16 : Equity Share Capital
Authorised Share Capital

50,000,000* (March 31, 2019:50,000,000) equity shares of ₹ 10 each

5,000.00

5,000.00

Issued, subscribed and fully paid up

5,946,326* (March 31, 2019: 5,946,326) equity shares of ₹ 10 each

594.63

594.63

594.63
594.63

*Note: Number of Shares are given in absolute numbers

a) Reconciliation of share capital:

	As At March 31, 2020		As At March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	5,946,326	594.63	5,946,326	594.63
Issue/buy back during the year	-	-	-	-
Balance as at the end of the year	5,946,326	594.63	5,946,326	594.63

b) Terms/ rights attached to equity shares:

- The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. No dividend was proposed by the Board of Directors during the year (March 31, 2019: ₹ Nil per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- During the year, no interim dividend (March 31, 2019: ₹ Nil per share) has been recognized as distributions to equity shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	As At March 31, 2020		As At March 31, 2019	
Name of Party	No. of shares	Holding %	No. of shares	Holding %
Ajay Relan	1,927,219	32.41%	1,927,219	32.41%
Rohit Relan	700,268	11.78%	428,818	7.21%
Ritu Relan	742,520	12.49%	742,520	12.49%
Mala Relan	520,826	8.76%	520,826	8.76%
Aashim Relan	304,440	5.12%	304,440	5.12%

Note 17 : Other Equity
a) General Reserve

	Amount
Balance as at March 31, 2018	21,025.68
Movement during the year	-
Balance as at March 31, 2019	21,025.68
Movement during the year	-
Balance as at March 31, 2020	21,025.68

The general reserve is created from, time to time transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

b) Capital Reserve

	Amount
Balance as at March 31, 2018	0.20
Movement during the year	-
Balance as at March 31, 2019	0.20
Movement during the year	-
Balance as at March 31, 2020	0.20

c) Retained Earnings

Balance as at March 31, 2018	13,882.25
Add:- Profit for the year	8,774.08
Less: Dividend Paid	371.65
Less: Dividend Distribution Tax Paid	76.61
Balance as at March 31, 2019	22,208.07
Loss on account of assets & liabilities transferred pursuant to scheme (refer note no.41)	(12,871.71)
Add:- Profit for the year	5,765.83
Balance as at March 31, 2020	15,102.19

Notes:

1. General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
2. Capital Reserve: The company recognise profit and loss on sale, purchase, cancellation and forfeiture of the company's own equity instruments to capital reserve.
3. Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Total Other Equity:

As at March 31, 2019	43,233.95
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	22,208.07
As at March 31, 2020	36,128.07
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	15,102.19

Note 18 : Trade payables

	As At March 31, 2020	As At March 31, 2019
- Total outstanding dues of micro and small enterprises	349.28	345.24
- Outstanding dues of creditors other than micro and small enterprises	20,302.37	18,771.08
	20,651.65	19,116.32

- a) Trade payables are non-interest bearing and are normally settled on 90-day terms (except for MSME). The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note no 40.
- b) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2020 to micro and small enterprises as defined in Industries (Development and Regulation) Act, 1951.

Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006.

	As At March 31, 2020	As At March 31, 2019
- Principal amount due	347.56	344.34
- Interest accrued and due on above	1.72	0.90
	349.28	345.24
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	2.01	0.90

- (iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 Nil Nil
- i. 'The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.
- ii. The total dues to Micro and Small Enterprises which were outstanding for more than stipulated period are ₹ 347.27 lakhs (March 31, 2019 : 71.08 lakhs)

Note 19 : Other Financial Liabilities
Non Current

Security deposit

27.79

34.30

Lease liabilities

1,014.73

-

Total (A)
1,042.52
34.30
Current

Payable to related party (refer note no. 36)

241.23

-

Unclaimed dividends (refer note (a) below)

32.21

39.70

Lease liabilities

57.17

-

Creditors for capital goods-micro and small enterprises

11.39

1.65

Creditors for capital goods- Other than micro and small enterprises

904.76

999.54

Total (B)
1,246.76
1,040.89
Total (A+B)
2,289.28
1,075.19

- a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2020 (March 31, 2019 Nil).

Note 20 : Other Liabilities
Current

Advance from customers

807.95

1,298.60

Statutory dues

864.64

1,518.88

Others *

38.13

42.41

Total
1,710.72
2,859.89

* Other comprises of custom duty, earnest money received and staff payable etc.

Note 21 : Provisions
Non- current
Provision for employee benefits :

Provision for compensated absences (refer note 35)

197.54

203.04

Others :

Provision for warranty

246.79

320.99

Total (A)
444.33
524.03
Current
Provision for employee benefits :

Provision for compensated absences (refer note 35)

156.66

133.57

Provision for gratuity (refer note 35)

312.02

153.67

Others :

Provision for warranty

175.70

178.03

Total (B)
644.38
465.27
Total (A+B)
1,088.71
989.30

Disclosure for warranty claim payable
Provision for warranty claim

	As At March 31, 2020	As At March 31, 2019
Opening Balance	499.02	386.92
Less: Transfer pursuant to scheme of arrangements	185.96	-
Add : Provision made during the year	175.70	178.03
Less : Paid during the year	66.27	65.93
Balance at the end of the year	422.49	499.02

Note 21.1 Contingent Liabilities
(a) Claims against the Company not acknowledged as debts

	As At March 31, 2020	As At March 31, 2019
i) Disputed State Tax Matters	65.01	65.01
ii) Disputed Excise Matters	1.51	9.67
iii) Disputed Service Tax Matters	53.75	76.09
iv) Disputed Income Tax Matters	385.20	42.58
v) Disputed Central Excise Matters	440.00	440.00
vi) Bill discounting	749.16	151.04
vii) Dispute with Vendor	6.96	10.55
viii) Others	6.86	33.00

(b) Letter of Credit

i. Foreign	3,121.84	2,551.09
ii. Inland	613.66	-

Notes:

- (i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.
- (ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Company is in process of evaluating the impact of recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organization in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

Note 22 : Revenue from operations
Sale of Product

	For the year ended March 31, 2020	For the year ended March 31, 2019
- Finished goods	79,260.94	105,368.87
- Traded goods	6,460.14	7,844.42
	85,721.08	113,213.29
Sale of services	129.56	62.55
Other Operating Revenues		
- Sale of scrap	448.17	711.43
Revenue from operations	86,298.81	113,987.27

Note 23 : Other income
Interest Income

- Fixed deposits with banks
- Finance income
- Others *

Dividend income from

- Non-current investment
- Current investment

Profit on sale of current investments designated at FVTPL
Net gain on disposal of property, plant and equipments
Management support supply services**
Fair value gain on current investments designated at FVTPL
Miscellaneous income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income		
- Fixed deposits with banks	421.97	469.08
- Finance income	-	0.83
- Others *	123.14	10.05
Dividend income from		
- Non-current investment	-	93.75
- Current investment	-	61.22
Profit on sale of current investments designated at FVTPL	250.54	352.66
Net gain on disposal of property, plant and equipments	886.79	263.40
Management support supply services**	227.61	-
Fair value gain on current investments designated at FVTPL	13.85	366.24
Miscellaneous income	449.37	580.48
	2,373.27	2,197.71

* Others comprises of interest received on Tax free bond, deposits with electricity boards etc.

** Refer related party note no. 36.

Note 24 : Cost of Raw Material Consumed
Raw Material
Balance at the beginning of the year
Less: Transfer pursuant to scheme of arrangements (Refer note no-41)
Add:- Purchases during the year
Less:- Balances of raw material at the end of the year
Total cost of raw material consumption

	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	7,659.54	6,195.98
Less: Transfer pursuant to scheme of arrangements (Refer note no-41)	410.38	-
Add:- Purchases during the year	53,639.39	72,434.66
Less:- Balances of raw material at the end of the year	8,604.20	7,659.54
Total cost of raw material consumption	52,284.35	70,971.10

Note 25 : Purchase of Stock in Trade
Purchase of stock in trade

	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of stock in trade	5,974.42	6,989.97
	5,974.42	6,989.97

Note 26 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade
Inventories at the beginning of the year
Finished goods
Work- in- progress
Less: Transfer pursuant to scheme of arrangements (Refer note no-41)
Traded goods
Total (A)
Inventories at the end of the year
Finished goods
Work- in- progress
Traded goods
Total (B)
(Increase) / Decrease in inventories
Finished goods
Work- in- progress
Traded goods
(Increase) / Decrease in Inventory (A-B)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Finished goods	-	-
Work- in- progress	2,108.06	1,782.28
Less: Transfer pursuant to scheme of arrangements (Refer note no-41)	125.40	-
Traded goods	-	-
Total (A)	1,982.66	1,782.28
Finished goods	-	-
Work- in- progress	1,653.49	2,108.06
Traded goods	-	-
Total (B)	1,653.49	2,108.06
(Increase) / Decrease in inventories		
Finished goods	-	-
Work- in- progress	329.17	(325.78)
Traded goods	-	-
(Increase) / Decrease in Inventory (A-B)	329.17	(325.78)

Note 27 : Employee benefits expense

Salaries, wages & other benefits
Contribution to provident and other funds*
Gratuity (refer note 35)
Staff welfare expenses

For the year ended March 31, 2020	For the year ended March 31, 2019
7,531.04	7,510.53
382.32	408.02
120.59	119.40
463.02	540.38
8,496.97	8,578.33

*** Defined contribution plans**
Amount recognised in statement of profit & loss

Employee state insurance
Provident fund
Welfare fund

33.66	53.40
348.26	353.84
0.40	0.78
382.32	408.02

Note 28 : Finance cost

Interest expense
Interest on lease liability

For the year ended March 31, 2020	For the year ended March 31, 2019
6.59	4.59
86.23	-
92.82	4.59

Note 29 : Depreciation and amortization expense

Depreciation on property, plant and equipment
Amortization of intangible assets
Depreciation on right-of-use assets

For the year ended March 31, 2020	For the year ended March 31, 2019
3,825.49	3,787.56
139.64	309.27
56.15	-
4,021.28	4,096.83

Note 30 : Other expenses

Consumable tools
Power & fuel
Hire labour charges
Manufacturing expenses
Rent, rates & taxes
Repair & maintenance
-Repair to building
-Repair to plant & equipments
-Repair others
Net loss on foreign exchange fluctuation
Royalty fees
Research & development expenses (refer details 'c' below)
Travelling & conveyance
Insurance
Communication cost
Director's sitting fee & commission
Legal & professional expenses
CSR expenses (refer details 'b' below)
Warranty claim

For the year ended March 31, 2020	For the year ended March 31, 2019
207.05	206.62
676.49	1,148.23
2,530.77	4,825.57
223.84	200.44
236.40	349.96
27.49	88.78
241.06	360.97
156.83	207.51
10.40	12.84
0.21	1.62
2,443.32	2,328.55
780.59	803.52
66.21	66.02
71.59	64.06
17.80	18.20
356.43	620.95
16.16	13.90
175.70	178.03

Selling expenses	1.32	7.33
Packing material	166.28	224.32
Freight outward	355.31	620.27
Auditor's remuneration (refer details 'a' below)	16.25	16.76
Miscellaneous expenses	848.04	876.20
Total	9,625.54	13,240.65

a) Details of payment made to auditors is as follows:

Payment to auditors	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor:		
- Statutory audit fee	9.35	8.50
- Tax audit fee *	5.50	5.00
In Other Capacity:		
- Reimbursement of expenses	0.75	0.26
- Other services	0.65	3.00
	16.25	16.76

* Tax audit fee has been provided for auditor other than Statutory Auditors for current year as well as previous year.

b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:

- Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 209.01 Lakhs (March 31, 2019: ₹ 158.11 lakhs)
- Amount spent during the year

Purpose for which expenditure incurred	Remarks	For the year ended March 31, 2020	For the year ended March 31, 2019
- Construction/acquisitions of any asset		-	-
- On purpose other than (i) above	Payment to 'Sharda CSR Foundation Trust' for incurring CSR Expenditure	16.16	13.90
Amount yet to be spent		192.85	144.21
Total		209.01	158.11

c) Research & Development Expenses

Research & development expenses include:

	For the year ended March 31, 2020	For the year ended March 31, 2019
- Purchases	90.96	58.11
- Salary, wages and other allowance	1,324.51	1,204.25
- Travelling expenses	169.13	154.15
- Design, development and other expenses	858.72	912.04
	2,443.32	2,328.55

d) Company's R&D Center at Chennai which is recognized at DSIR, Govt. of India upto March 31, 2020 has incurred following expenditure from the last five years.

Financial Year	Capital Expense	Revenue Expense
2014-15	79.63	656.03
2015-16	456.72	847.78
2016-17	217.47	986.33
2017-18	181.09	1,441.08
2018-19	319.97	2,328.55
2019-20	33.33	2,443.32

Note 31: Income Tax

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are as below:

Income tax recognised in profit or loss

	As At March 31, 2020	As At March 31, 2019
Current tax		
a) In respect of current year	2,456.00	4,063.94
b) Adjustments in respect of current income tax of previous year	-	(41.29)
	2,456.00	4,022.65
Deferred tax		
In respect of current year	(383.83)	(179.39)
	(383.83)	(179.39)
Income tax expense recognised in the current year	2,072.17	3,843.26

The income tax expense for the year can be reconciled to the accounting profit as follows:

	As At March 31, 2020	As At March 31, 2019
Profit before tax	7,847.53	12,629.30
Tax at the Indian tax rate of 25.168% (March 31, 2019: 34.944%)	1,971.48	4,374.43
Adjustments in respect of current income tax of previous years	-	(41.29)
Effect of expenses that are not deductible in determining taxable profit	4.07	10.74
Weighted deduction for research and development expenses	-	(520.47)
Income not considered for tax purpose	-	(56.18)
Others	96.62	76.03
Tax expenses recognised in statement of profit or loss	2,072.17	3,843.26

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (March 31, 2019: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.

32. Income tax recognised in other comprehensive income

	As At March 31, 2020	As At March 31, 2019
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	3.21	6.42
Total tax recognised in other comprehensive income	3.21	6.42
Bifurcation of the income tax recognised in other comprehensive income into : -		
- Items that will not be reclassified to profit or loss	3.21	6.42
	3.21	6.42

Note 33 : Deferred tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

	As At March 31, 2020	As At March 31, 2019
Deferred tax assets	305.68	308.54
Deferred tax liabilities	327.49	903.74
Net deferred tax liabilities	21.81	595.20

	As At March 31, 2018	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2019
Deferred tax assets				
Defined benefit obligation	99.08	65.82	6.42	171.32
Expenses deductible in future years	-	136.29	-	136.29
Others	0.93	-	-	0.93
Total deferred tax assets	100.01	202.11	6.42	308.54
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	140.88	148.77	-	289.65
Property, plant and equipment and intangible assets	740.15	(126.06)	-	614.09
	881.03	22.71	-	903.74
Net deferred tax liabilities	781.02	(179.40)	(6.42)	595.20
	As At March 31, 2019	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2020
Deferred tax assets				
Defined benefit obligation	171.32	(8.47)	3.21	166.06
Expenses deductible in future years	136.29	(32.50)	-	103.79
Others	0.93	34.90	-	35.83
Total deferred tax assets	308.54	(6.07)	3.21	305.68
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	289.65	(286.17)	-	3.48
Property, plant and equipment and intangible assets	614.09	(121.04)	-	493.05
Others	-	20.51	-	20.51
	903.74	(386.70)	-	517.04
Less: Transfer pursuant to scheme of arrangements (refer note no-41)				(189.55)
Net deferred tax liabilities	595.20	(380.63)	(3.21)	21.81

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note 34 : Earnings per share (EPS)	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity holders from continuing operations (A)	5,775.36	7,896.83
Profit attributable to equity holders from discontinued operations (B)	-	889.20
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers) (C)	59.46	59.46
Earning per share from continuing and discontinued operations		
Basic earnings per share (in ₹) - (A+B)/C	97.12	147.76
Diluted earnings per share (in ₹) - (A+B)/C	97.12	147.76
Earning per share from continuing operations		
Basic earnings per share (in ₹) - A/C	97.12	132.80
Diluted earnings per share (in ₹) - A/C	97.12	132.80
Earning per share from discontinued operations		
Basic earnings per share (in ₹) - B/C	-	14.95
Diluted earnings per share (in ₹) - B/C	-	14.95

Note 35 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Statement of profit and loss account under Company's contribution to defined contribution plan:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund/ Pension Fund	348.26	353.84
Employer's Contribution to Employee State Insurance	33.66	53.40
Employer's Contribution to Employee Welfare Fund	0.40	0.78
Total	382.32	408.02

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 30 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

- c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation as at the beginning of the year	1,212.65	336.61	1,055.52	286.30
Acquisition adjustment	(103.58)	(15.53)		
Add: Interest cost	79.85	23.12	79.16	21.47
Add: Current service cost	132.65	77.80	126.23	68.70
Add: Past service cost	-	-	-	-
Less: Benefits paid	(35.94)	(15.03)	(69.00)	(37.82)
Add: Actuarial (gain) / loss				
- Demographic assumptions	0.20	0.07	-	-
- Financial assumptions	44.49	5.98	15.17	2.37
- Experience adjustments	(29.82)	(58.81)	5.57	(4.42)
Present value of obligation as at the end of the year	1,300.49	354.21	1,212.65	336.61

d) Components of expenses recognised in the statement of profit or loss in respect of:

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Current service cost	132.65	77.80	126.23	68.70
Past service cost	-	-	-	-
Interest cost	11.19	23.12	11.43	21.47
Remeasurements	-	-	-	-
Return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	(52.76)	-	(2.05)
Expenses recognised in profit/loss (Refer Note Below)	143.84	48.16	137.66	88.12

Note : Gratuity expense of ₹ 130.12 lakhs (March 31, 2019 : ₹ 112.98 lakhs) has been recognised in Statement of Profit & Loss and ₹ 26.52 Lakhs (March 31, 2019 ₹18.25 lakhs) in R&D expenditure.

e) Components of expenses recognised in the other comprehensive income in respect of:

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Actuarial (gains) / losses				
- changes in demographic assumptions	0.20	0.02	-	-
- changes in financial assumptions	44.49	5.98	15.17	2.37
- experience variance	(29.82)	(58.76)	5.57	(4.42)
Return on plan assets, excluding amount recognised in net interest expense	(2.13)	-	(2.37)	-
Component of defined benefit costs recognised in other comprehensive income	12.74	(52.76)	18.37	(2.05)

Note:

- The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.
- The remeasurement of the net defined benefit liability is included in other comprehensive income

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

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	1,058.98	-	903.13	-
Acquisition adjustment	(105.36)	-	-	-
Add: Investment income	68.66	-	67.74	-
Add: Expected return on plan assets	2.13	-	2.37	-
Add: Employer's contribution	0.08	-	154.75	-
Add: Employee's contribution	-	-	-	-
Less: Benefits paid	(35.94)	-	(69.01)	-
Add: Actuarial gains / (losses) on the plan assets	-	-	-	-
Fair value of plan assets at the end	988.55	-	1,058.98	-

g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions				
1 Discount rate	6.40%	6.40%	7.20%	7.20%
2 Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Demographic assumptions				
1 Expected average remaining working lives of employees (years)	23.26	23.19	23.47	23.41
2 Retirement Age (years)	58	58	58	58
3 Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Withdrawal Rate				
1 Ages up to 30 Years	20.00%	20.00%	20.00%	20.00%
2 Ages from 30-44	20.00%	20.00%	20.00%	20.00%
3 Above 44 years	20.00%	20.00%	20.00%	20.00%

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

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of obligation	1,300.49	354.21	1,212.65	336.61
Fair value of plan assets	988.55	-	1,058.98	-
Net (assets) / liability	311.95	354.21	153.67	336.61
Classification into long term and short term:				
- Classified as long term	-	197.54	-	191.96
- Classified as short term	311.95	156.66	153.67	129.12
Total	311.95	354.20	153.67	321.08

i) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
A. Discount rate				
Effect on defined benefit obligation due to 1% increase in Discount Rate	(57.13)	(7.43)	(49.10)	(7.32)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	60.29	7.90	53.54	8.21
B. Salary escalation rate				
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	54.66	7.57	49.53	7.92
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(51.32)	(7.25)	(46.60)	(7.60)
C. Mortality rate				
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-	-	-

j) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
1 year	234.48	156.66	230.83	133.57
2 to 5 years	598.80	146.86	565.12	152.17
More than 5 years	467.22	50.68	416.70	50.87

k) Enterprise best estimate of contribution during next year is ₹ 129.51 lakhs (March 31, 2019: ₹ 186.53 lakhs).

l) The change in assumption of withdrawal rate, retirement age and expected average remaining working lives of employees is not considered significant.

m) There is no change in the method used in the preparing the sensitive analysis from prior years

Note 36 : List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
a) Relan Industrial Finance Limited	Associate Company
a) Exhaust Technology Private Limited	Joint Venture Company
a) Mr. Kishan N Parikh (Chairman)	Key Managerial Personnel
b) Mrs. Sharda Relan (Co-chairperson)	
c) Mr. Ajay Relan (Managing Director)	
d) Mr. Rohit Relan (Director)	
e) Mr. Bireswar Mitra (Executive Director) (up to 02/09/2019)	
f) Mr. Ram Prakash Chowdhary (Director) (up to 31/03/2019)	
g) Mr. Ashok Kumar Bhattacharya (Director)	
h) Mr. Satindar Kumar Lambah (Director)	
i) Mr. Udayan Banerjee (Director) (from 13/02/2019)	
j) Mr. Vivek Bhatia (President and Group CFO)	
k) Mr. Nitin Vishnoi (Executive Director (ED) & Company Secretary) (ED w.e.f. 03/09/2019)	

a) Mrs. Mala Relan (Spouse of Managing Director)	Relatives of Key Managerial Personnel
b) Mrs. Ritu Relan (Spouse of Director)	
c) Ms. Aashita Relan (Daughter of Managing Director)	
d) Mr. Aashim Relan (Son of Managing Director)	
e) Mr. Rishabh Relan (Son of Director)	
f) Mr. Pranav Relan (Son of Director)	
g) Mr. Ayush Relan (Son of Director)	
h) Mrs. Indira Chowdhry (spouse of Director)	
a) Sharda Enterprises	Enterprises over which Key Managerial Personnel are able to Exercise significant influence
b) N.D.Relan (HUF)	
c) Ajay Relan (HUF)	
d) Rohit Relan (HUF)	
e) Sharda Auto Solutions Private Limited	
f) A.N.I Hospitality LLP	
g) Progressive Engineering & Automation Private Limited	
h) Sharda CSR Foundation Trust	
i) Bharat Seats Limited @	
j) N D R Auto Components Limited @	
k) Toyo Sharda India Private Limited @	
l) Toyota Boshoku Relan India(Private Limited @	

Note : @ Pursuant to the effect of Scheme of Arrangement between Sharda Motor Industries Limited, ("Demerged Company") and The NDR Auto Components Limited ("Resulting Company") and their respective Shareholders ("Scheme") and Creditor as approved by The Hon'ble National Company Law Tribunal (NCLT) New Delhi, NDR Auto Components Limited (Wholly Owned Subsidiary Company) Bharat Seats Limited (associate Company), Toyota Boshoku Relan India Private Limited (Joint Venture) and Toyo Sharda India Private Limited (Joint Venture), has ceased to be Wholly Owned Subsidiary Company associate Company and Joint Venture respectively.

(Rs. in Lakhs)

S.No.	Nature of Transactions	Joint Venture Companies	Wholly owned Subsidiary	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
i)	Sales during the Year						
	-Exhaust Technology Private Limited	539.63	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
	- Bharat Seats Limited	-	-	-	24.37	-	-
		(-)	(-)	(24,265.92)	(-)	(-)	(-)
ii)	Rent paid during the Year						
	-Sharda Enterprises	-	-	-	-	-	-
		(-)	(-)	(-)	(155.76)	(-)	(-)
iii)	Remuneration paid						
	- Ajay Relan	-	-	-	-	375.24	-
		(-)	(-)	(-)	(-)	(580.03)	(-)
	-Sharda Relan	-	-	-	-	386.55	-
		(-)	(-)	(-)	(-)	(488.33)	(-)
	-Bireswar Mitra	-	-	-	-	9.52	-
		(-)	(-)	(-)	(-)	(21.55)	(-)

S.No.	Nature of Transactions	Joint Venture Companies	Wholly owned Subsidiary	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
	-Nitin Vishnoi	- (-)	- (-)	- (-)	- (-)	24.02 (-)	- (-)
iv)	Salary Paid						
	-Nitin Vishnoi	- (-)	- (-)	- (-)	- (-)	14.57 (28.43)	- -
	-Mala Relan	- (-)	- (-)	- (-)	- (-)	- -	15.36 (17.62)
	-Vivek Bhatia	- (-)	- (-)	- (-)	- (-)	145.10 (110.43)	- -
	-Aashim Relan	- (-)	- (-)	- (-)	- (-)	- -	144.61 (153.29)
v)	Reimbursement of Expenses						
	- Exhaust Technology Private Limited	28.37 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
	- N D R Auto Components Limited	- (-)	- (-)	- (-)	584.72 (-)	- (-)	- (-)
	-Bireswar Mitra	- (-)	- (-)	- (-)	- (-)	3.60 (4.66)	- (-)
	-Nitin Vishnoi	- (-)	- (-)	- (-)	- (-)	2.92 (9.20)	- (-)
	-Vivek Bhatia	- (-)	- (-)	- (-)	- (-)	7.19 (6.84)	- (-)
vi)	Dividend Paid						
	- Ajay Relan	- (-)	- (-)	- (-)	- (-)	- (120.01)	- (-)
	- Nitin Vishnoi	- (-)	- (-)	- (-)	- (-)	- (0.06)	- (-)
	- Bireswar Mitra	- (-)	- (-)	- (-)	- (-)	- (0.04)	- (-)
	-K.N. Parikh	- (-)	- (-)	- (-)	- (-)	- (0.01)	- (-)
	-Rohit Relan	- (-)	- (-)	- (-)	- (-)	- (26.80)	- (-)
	-Aashim Relan	- (-)	- (-)	- (-)	- (-)	- (-)	- (19.03)
	-Ayush Relan	- (-)	- (-)	- (-)	- (-)	- (-)	- (4.27)
	-Pranav Relan	- (-)	- (-)	- (-)	- (-)	- (-)	- (5.77)
	-Rishabh Relan	- (-)	- (-)	- (-)	- (-)	- (-)	- (7.59)

S.No.	Nature of Transactions	Joint Venture Companies	Wholly owned Subsidiary	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
	-Mala Relan	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(32.55)
	-Ritu Relan	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(46.40)
	-Aashita Relan	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(1.17)
	-Ajay Relan(HUF)	-	-	-	-	-	-
		(-)	(-)	(-)	(1.20)	(-)	(-)
	-ND Relan (HUF)	-	-	-	-	-	-
		(-)	(-)	(-)	(1.88)	(-)	(-)
	-Rohit Relan (HUF)	-	-	-	-	-	-
		(-)	(-)	(-)	(2.78)	(-)	(-)
	-Relan Industrial Finance Limited	-	-	-	-	-	-
		(-)	(-)	(0.06)	(-)	(-)	(-)
	-Indira Chowdhry	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(3.28)
vii)	Sitting Fee Paid						
	-Kishan N Parikh	-	-	-	-	4.20	-
		(-)	(-)	(-)	(-)	(4.40)	(-)
	-Rohit Relan	-	-	-	-	0.40	-
		(-)	(-)	(-)	(-)	(1.60)	(-)
	-Ram Prakash Choudhary	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(2.80)	(-)
	-Ashok Kumar Bhattacharya	-	-	-	-	4.40	-
		(-)	(-)	(-)	(-)	(3.20)	(-)
	-Satinder Kumar Lambah	-	-	-	-	3.60	-
		(-)	(-)	(-)	(-)	(5.20)	(-)
	-Udayan Banerjee	-	-	-	-	5.20	-
		(-)	(-)	(-)	(-)	(1.00)	(-)
viii)	Sale of Fixed Assets						
	-Exhaust Technology Private Limited	108.33	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
	-Bharat Seats Limited	-	-	-	-	-	-
		(-)	(-)	(57.90)	(-)	(-)	(-)
ix)	Sale of Assets held for Sale						
	-Exhaust Technology Private Limited	652.89	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)

S.No.	Nature of Transactions	Joint Venture Companies	Wholly owned Subsidiary	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
x)	Expenses paid - A.N.I Hospitality LLP	- (-)	- (-)	- (-)	0.16 (-)	- (-)	- (-)
xi)	Advance Received from Customers -Bharat Seats Limited (Tooling Advance)	- (-)	- (-)	- (28.40)	- (-)	- (-)	- (-)
xii)	Purchases during the year -Bharat Seats Limited - Exhaust Technology Private Limited -Toyo Sharda India Private Limited	- (-) 82.23 (-) - (218.40)	- (-) - (-) (-)	- (245.10) - (-) (-)	- (-) - (-) (-)	- (-) - (-) (-)	- (-) - (-) (-)
xiii)	Advance Adjusted -Bharat Seats Limited	- (-)	- (-)	- (28.40)	- (-)	- (-)	- (-)
xiv)	Dividend Received -Bharat Seats Limited -Toyo Sharda India Private Limited	- (-) - (3.75)	- (-) - (-)	- (90.00) - (-)	- (-) - (-)	- (-) - (-)	- (-) - (-)
xv)	CSR Expenditure paid -Sharda CSR Foundation Trust	- (-)	- (-)	- (-)	16.16 (12.90)	- (-)	- (-)
xvi)	Investment in Shares -Exhaust Technology Private Limited - N D R Auto Components Limited	2,500.00 (-) - (-)	- (-) - (1.00)	- (-) - (-)	- (-) - (-)	- (-) - (-)	- (-) - (-)
xvii)	Management Services received (Inclusive of GST) - N D R Auto Components Limited	- (-)	- (-)	- (-)	268.58 (-)	- (-)	- (-)

S.No.	Nature of Transactions	Joint Venture Companies	Wholly owned Subsidiary	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
xviii)	Net Outstanding Balance payable as on 31.03.2020						
	- Ajay Relan	-	-	-	-	3.20	-
		(-)	(-)	(-)	(-)	(53.83)	(-)
	-Bireswar Mitra	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(1.35)	(-)
	-Nitin Vishnoi	-	-	-	-	7.58	-
		(-)	(-)	(-)	(-)	(6.77)	(-)
	-Vivek Bhatia	-	-	-	-	7.91	-
		(-)	(-)	(-)	(-)	(-)	(-)
	-Sharda Relan	-	-	-	-	8.76	-
		(-)	(-)	(-)	(-)	(43.40)	(-)
	-Mala Relan	-	-	-	-	-	0.90
		(-)	(-)	(-)	(-)	(-)	(0.83)
	-Aashim Relan	-	-	-	-	-	11.24
		(-)	(-)	(-)	(-)	(-)	(12.56)
	-Toyo Sharda India Private Limited	-	-	-	-	-	-
		(1.32)	(-)	(-)	(-)	(-)	(-)
	- N D R Auto Components Limited	-	-	-	241.23	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
xix)	Balance Receivable as on 31.03.2020						
	-Bharat Seats Limited	-	-	-	17.66	-	-
		(-)	(-)	(685.92)	(-)	(-)	(-)
	-Exhaust Technology Private Limited	793.71	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
	- Toyota Boshoku Relan India Private Limited	-	-	-	-	-	-
		(8.62)	(-)	(-)	(-)	(-)	(-)
	- N D R Auto Components Limited	-	-	-	-	-	-
		(-)	(-)	(0.27)	(-)	(-)	(-)

1) Figures in bracket represents figures of 31st March, 2019.

2) All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

Note 37 : Leases

Lease related disclosures

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

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind-AS 116 are only applied after that date.

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.

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:

Particulars	31 March 2020
Short-term leases	18.50
Leases of low value assets	-
Variable lease payments	-

B Total cash outflow for leases for the year ended 31 March 2020 was Rs. 80.11 Lakhs

C The Company has total commitment for short-term leases of Rs. 9.10 Lakhs as at 31 March 2020.

D Maturity of lease liabilities

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

Maturity analysis – contractual undiscounted cash flows	As At March 31, 2020
Less than one year	80.11
One to five years	485.42
More than five years	1,929.91
Total undiscounted lease liabilities at March 31, 2020	2,495.44
Lease liabilities included in the statement of financial position at March 31, 2020	1,071.90
Current	57.17
Non-Current	1,014.73

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2020 is of Nil.

F Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Factory Building in Sanand	1	24 years	24 years	1	0	1
Factory Building in Chakan	1	10 years	10 years	1	0	1

G Impact on transition

- Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of Rs. 1065.79 Lakhs and corresponding right of use asset of Rs. 1,065.79 Lakhs.
- For contracts in place as at 1 April 2019, Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.
- Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.
- On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.
- On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 8.25% per annum.
- The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	Amount
Lease commitments disclosed applying IND AS 17 as at March 31, 2019	661.06
Add/(less): lease transferred pursuant to demerger	(86.71)
Add/(less): adjustments on account of extension/termination	(60.00)
Add/(less): contracts reassessed as lease contracts	2,061.21
Lease commitments as at March 31, 2019 before discounting	2,575.56
Add/(less): accretion of interest	(1,509.77)
Lease liabilities recognised in the balance sheet as on April 01, 2019	1,065.79
Current lease liabilities	57.07
Non current lease liabilities	1,008.72

Right of use assets of ₹ 1065.79 Lakhs and lease liabilities of ₹ 1065.79 Lakhs have been recognised as on April 01, 2019.

Note 38 : Financial and Derivative Instruments

Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date :	As At March 31, 2020		As At March 31, 2019	
Foreign Currency Exposure not hedged (Sell)	USD 14.03 lakhs	1,057.30	USD 11.24 lakhs	777.83
		1,057.30		777.83
Foreign Currency Exposure not hedged (Buy)	USD 34.28 lakhs	2,584.17	USD 40.55 lakhs	2,804.54
	EURO 0.08 lakhs	6.55	EURO 0.82 lakhs	64.00
	JPY 0.25 lakhs	0.18	JPY 0.25 lakhs	0.16
	GBP 0.13 lakhs	11.77		-
		2,602.67		2,868.70

Note 39 : Segment Information

- In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.
- Major Customer: Revenue from 2 customers (March 31, 2019 3 customers) of the Company's manufacturing & trading business are ₹ 60,108.63 lakhs (March 31, 2019 ₹ 84,935.68 lakhs) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2020 and March 31, 2019.

Note 40 : Financial instruments - fair values and risk management
40.1 Financial instruments by category and fair values

	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Non-current						
Investments in equity instrument *	-	-	3.45	-	-	1.75
Other financial assets						
- Security deposits	-	-	222.97	-	-	302.04
- Deposits with original maturity of more than 12 months	-	-	-	-	-	5.00
Current						
Investments in tax free bonds and mutual funds	1,676.06	-	-	8,235.82	-	-
Trade receivables	-	-	11,705.33	-	-	13,211.46
Cash and cash equivalents	-	-	7,860.17	-	-	7,042.48
Bank balances other than above	-	-	6,770.51	-	-	7,070.79
- Staff advance	-	-	28.24	-	-	21.24
- Interest accrued on fixed deposits	-	-	214.79	-	-	153.34
- Interest accrued on others	-	-	6.07	-	-	4.96
- Receivable from related parties	-	-	250.54	-	-	8.62
Total	1,676.06	-	27,062.07	8,235.82	-	27,821.68

Financial liabilities
Non-Current

Other financial liabilities

- Security deposit	-	-	27.79	-	-	34.30
- Lease liabilities	-	-	1014.73	-	-	-

Current

Trade payables	-	-	20,651.65	-	-	19,116.32
Other financial liabilities						
- Lease liabilities	-	-	57.17	-	-	-
- Payable to Related Party	-	-	241.23	-	-	-
- Unclaimed dividend	-	-	32.21	-	-	39.70
- Creditors for capital goods- Other than micro and small enterprises	-	-	904.76	-	-	999.54

Total	-	-	22,929.55	-	-	20,189.86
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* Investment value excludes investment in associate of ₹ 49 lakhs (March 31, 2019 : ₹ 139 lakhs), investment in joint venture of ₹ 2500 lakhs (March 31, 2019 : ₹ 75.50 lakhs), and investment in Subsidiary of ₹ Nil Lakh (March 31, 2019 : ₹ 1 Lakh), which are shown at cost in balance sheet as per Ind AS 27 : Financial Statements.

Note: The directors consider that the carrying amounts of investments in equity shares of other and in trust, which have been recognised in the financial statements, as approximate their fair values.

Financial assets and liabilities measured at fair value - recurring fair value measurements (refer note 3.12)

	As At March 31, 2020	As At March 31, 2019
Financial assets		
Level 1	-	-
Level 2		
- Financial instruments at FVTPL: Options, cross currency and interest rate swap contract	-	-
- Financial instruments at FVTPL: Investments in tax free bonds and mutual fund	1,676.06	8,235.82
Level 3		
- Financial instruments at FVTPL: Investment in other	-	-
Total financial assets	1,676.06	8,235.82

40.2 : Measurement of fair value

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of options, cross currency and interest rate swap contract & investments in mutual funds.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are investments in unquoted equity instruments and other investment.

There have been no transfers between Level 1 and Level 2 during the period.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments in mutual funds: Fair value is determined by reference to quotes, i.e. net asset value (NAV) for investments in mutual funds as declared.
- Unquoted equity and other investments: Fair value of same has not been derived as in the opinion of directors the carrying amounts of these investments approximate their fair values.
- Fair value of cash and cash equivalents, trade receivables, other current financial assets, trade payables, other current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.

- (iv) Interest rates on long-term borrowings are equivalent to the market rate of interest. Accordingly, the carrying value of such long-term debt approximates fair value.
- (v) Fair value of all other non-current financial assets have not been disclosed as the change from carrying amount is not significant, as the discount rate has not changed significantly.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

40.3 Capital management

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

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

	March 31, 2020	March 31, 2019
Total liabilities	25,762.17	24,635.90
Less: Cash and cash equivalents	7,860.17	7,042.48
Adjusted net debt	17,902.00	17,593.42
Total equity	36,722.70	43,828.58
Equity & net debt	54,624.71	61,422.01
Adjusted net debt to equity ratio	0.33	0.29

40.4 Financial risk management

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

- Market risk
- Credit risk
- Liquidity risk

Risk management framework:

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

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

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

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury department which has appropriate skills, experience and supervision. The policy provides that the Company should hedge through prescribed instruments to cover all possible risks of foreign currency outstanding after considering the natural hedge available and customer arrangements. It also prohibits any hedging for speculative transactions.

A. Market risk

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

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and functional currency of the Company, i.e. INR (₹). The currencies in which these transactions are primarily denominated are US dollar. The Company uses options, cross currency and interest rate swap contracts to hedge its currency risk on borrowings as per the approved policy of the Company. The Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate when necessary to address short term imbalances. However, the Company has not designated these derivatives as hedge relationship.

Exposure to currency risk:

(Amount in Lakhs except otherwise specified)

March 31, 2020	USD	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	14.03	-	-	-
Foreign currency exposure not hedged (Buy)	34.28	0.08	0.25	0.13
Derivative contract outstanding	-	-	-	-

March 31, 2019	USD	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	11.24	-	-	-
Foreign currency exposure not hedged (Buy)	40.55	0.82	0.25	-
Derivative contract outstanding	-	-	-	-

Sensitivity analysis:

A reasonably possible strengthening (weakening) of USD against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

The company has arrangements with major customers on quarterly basis for settlement of exchange fluctuations based on average exchange rate for the previous quarter.

March 31, 2020	(Profit) / Loss	
	Strengthening	Weakening
USD (5% movement)	(129.21)	129.21
EUR (5% movement)	(0.33)	0.33
JPY (5% movement)	(0.01)	0.01
GBP (5% movement)	(0.59)	0.59

March 31, 2019		
USD (5% movement)	(140.23)	140.23
EUR (5% movement)	(3.20)	3.20
JPY (5% movement)	(0.01)	0.01

USD: US Dollar, EUR: Euro and JPY: Japan Yen, GBP : Great British Pound

B. Credit risk

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

i) Trade receivables

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

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

- Original equipment manufacturers (OEMs)

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

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

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

Particulars	Neither past due nor impaired	Upto 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2019	-	13,198.14	13.32	13,211.46
Trade Receivables as of March 31, 2020	-	11,670.01	35.32	11,705.33

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables, loans and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties.

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

However, Company need not required to provide for any risk allowance on account of trade receivable being bad and not recoverable as the amount of outstanding pertaining to trade receivables which exceeds the credit period allowed by the Company is less than 2% of the total outstanding from them.

ii) Financial assets

The Company's exposure to credit risk for financial assets is as follows:

	As at March 31, 2020	As at March 31, 2019
Investments	4,228.51	8,453.07
Security deposits	222.97	302.04
Deposit with original maturity of more than 12 months	-	5.00
Interest accrued	214.79	153.34
Staff Advance	28.24	21.24
Interest accrued others	6.07	4.96
Receivable from related parties	250.54	8.62
Total	4,951.12	8,948.27

C. Liquidity risk

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

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

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

As on March 31, 2020, Company doesn't have any outstanding borrowings.

Exposure to liquidity risk:

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

March 31, 2020	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Interest accrued	241.23	241.23	241.23	-	-
Creditors for capital goods	904.76	904.76	904.76	-	-
Trade payables	20,651.65	20,651.65	20,651.65	-	-
Unclaimed dividends	32.21	32.21	32.21	-	-
Security deposit	27.79	27.79	-	27.79	-
	21,857.64	21,857.64	21,829.85	27.79	-
March 31, 2019	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Creditors for capital goods	999.54	999.54	999.54	-	-
Trade payables	19,116.32	19,116.32	19,116.32	-	-
Unclaimed dividends	39.70	39.70	39.70	-	-
Security deposit	34.30	34.30	-	34.30	-
	20,189.86	20,189.86	20,155.56	34.30	-

Note 41: In accordance of the terms of scheme of arrangement ("Scheme") under Section 230 to 232 of the Companies Act, 2013 read with section 66 of the Act, and other relevant provisions of the Act, as applicable from time to time, approved by Hon'ble National Company Law Tribunal ("Tribunal"), New Delhi Bench vide order dated February 20, 2020, the Automobile Seating Undertaking of Sharda Motor Industries Limited (hereinafter defined as "SMIL" or "Demerged Company") has been demerged and transferred to NDR Auto Components Limited (hereinafter defined as "NACL" or "Resulting Company") with effect from December 31, 2018 (appointed date), and upon the occurrence of the Effective Date.

- a) SMIL has transferred the assets and liabilities of the Automobile Seating Undertaking vested in it pursuant to this Scheme at the respective Book Values thereof. The difference between the book values of assets and liabilities transferred amounting to Rs. 13,119.19 Lakhs pursuant to scheme is appropriated and adjusted against retained earnings.
- b) The company's investment in equity shares of NDR Auto Components Ltd. has been written off to the extent of ₹1 Lakh and the effect has been considered in retained earnings.
- c) As a consideration for the transfer of automobile seating undertaking, NACL has issued 1 equity share of face value of Rs. 10 each at par to the shareholders of the demerged company (SMIL) for every one share of ₹ 10 held by the shareholders on the record date in the demerged company.
- d) The carrying value of assets and liabilities of Demerged Undertaking derecognised as at December 31, 2018 (appointed date) are as under :

S. No.	Particulars	As at December 31, 2018
I	Assets	
	Non Current Assets	
	a) Property, plant and equipment	3,988.26
	b) Capital work in progress	6.50
	c) Intangible assets	8.02
	d) Financial assets	
	i) Investments	165.50
	ii) Other Financial Assets	49.85
	Total non-current Assets	4,218.13
	Current Assets	
	a) Inventories	945.49
	b) Financial Assets	
	i) Investments	1,427.33
	ii) Trade Receivables	1,739.12
	iii) Cash and cash equivalents	1,246.11
	iv) Bank balances other than (iii) above	6,071.56
	v) Other financial assets	8.84
	c) Other current assets	10.32
	d) Asset classified as held for sale	0.08
	Total Current Assets	11,448.85
	Total Assets	15,666.98
II	Liabilities	
	Non-current liabilities	
	a) Provisions	14.73
	b) Other non-current liabilities	183.55
	Total Non-current liabilities	198.28
	Current Liabilities	
	a) Financial liabilities	
	i) Trade payables	
	· Total outstanding dues to micro and small enterprises	-
	· Total outstanding dues to parties other than micro and small enterprises	2,074.39
	ii) Other financial liabilities	1.38
	b) Other current liabilities	244.61
	c) Provisions	29.13
	Total Current liabilities	2,349.51
	Total Liabilities	2,547.79

- e) The financial Statements for year ended March 31, 2020 do not include financial results of Demerged Undertaking (discontinued operations) however, the comparative figures for the year ended March 31, 2019 includes financial results relating to Demerged Undertaking. The detailed reliable information of discontinued operations for the year ended March 31, 2019 is as under :

Particulars	Year ended March 31, 2019
Income	
Revenue from operations including other income	20,303.33
Total Income	20,303.33
Expenses	
Cost of materials consumed including change in inventories	14,743.53
Employee benefits expense	662.17
Depreciation and amortization expense	675.24
Other expenses	2,944.23
Total expenses	19,025.17
Profit/(loss) before tax	1,278.16
Tax expenses	388.96
Net profit for the period	889.20

Note 42: In Financial Year 2018-2019, Automobile Seating business of Sharda Motor Industries Limited was demerged and transferred to NDR Auto Components Limited. In effect of the transfer of business as stated above, the figures for the year ended March 31, 2020 are not comparable with the corresponding figures for the year ended March 31, 2019.

Note 43: The outbreak of COVID-19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants and offices were shut post announcement of lockdown. Although the disruption from the virus is expected to be temporary and most of the operations have resumed, post lifting the lockdown. Further the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time.

Note 44: In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

Note 45: Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN: 20524778AAAABB9382

Place of Signature : New Delhi
Date : 29th June, 2020

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

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Vivek Bhatia)
President & Group CFO
M.No. 89846

(Ajay Relan)
Managing Director
DIN 00257584

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

(Aashim Relan)
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Sharda Motor Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sharda Motor Industries Limited (hereinafter referred to as the "Parent Company"), its associate company and joint venture, which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Parent Company, its associate company and joint venture as at March 31, 2020, and its consolidated profit including other comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

- We draw attention to Note No. 41 to the consolidated financial statements in respect to arrangement between Sharda Motor Industries Limited (Demerged Company) and NDR Auto Components Limited (Resulting Company) and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013, as approved by the Hon'ble Bench of NCLT, New Delhi on February 20, 2020, the Automobile Seating Undertaking of the Sharda Motor Industries Limited has been demerged and transferred to NDR Auto Components Limited with effect from closing business hours of December 31, 2018 (the Appointed Date).
- We draw attention to Note No. 45 of the consolidated financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Parent Company's financial performance as assessed by the management.

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>De-merger of the Automobile Seating Undertaking of Sharda Motor Industries Limited</p> <p>As described in Note No. 41 of consolidated the financial statements. A business combination in nature of demerger has taken place in which significant judgments were required related to:</p> <ul style="list-style-type: none"> - determining the acquisition date; - derecognizing the identifiable assets and assumed liabilities; and - determination of the consideration of business combination 	<p>Following procedures have been performed to address this key audit matters:</p> <ul style="list-style-type: none"> • We reviewed the board resolution to ensure the approval of the scheme of demerger and other power used to give effect of demerger. • We reviewed the approved Scheme of Arrangement to ensure the acquisition date, to identify assets and liabilities to be transferred to resulting companies. • We refer the applicable accounting standard to ensure the effect of demerger in the consolidated financial statement.

2.	<p>Completeness and measurement of Contingent Liabilities arising from uncertain tax positions and disputed matters</p> <p>In the consolidated financial statements, contingent liabilities arising from uncertain tax positions and disputed matters as reported under the Note No. 21.1 to the financial statements for the year ended 31.03.2020. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the Company's management.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> • We discussed with the management regarding the internal control system for identifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the consolidated financial statements. • Obtained a detailed understanding and assumptions applied for considering these matters as contingent liabilities through discussion with the management of the Company. Assessed management's estimate of the possible outcome of the disputed cases. • In addition, we engaged our internal tax expert to assess the appropriateness of Company's assumption and explanations for these matters. • In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the consolidated financial statements.
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Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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

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

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

Management Responsibilities for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive loss), consolidated changes in equity and consolidated cash flows of the Parent Company, its associate company and joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Parent Company, its associate company and joint venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent Company, its associate company and joint venture are responsible for assessing the ability of the Parent Company, its associate company and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent Company, its associate company and joint venture are responsible for overseeing the financial reporting process of the Parent Company, its associate company and joint venture.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company, its associate company and joint venture, which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent Company, its associate company and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Parent Company, its associate company and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Parent Company, its associate company and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

- The consolidated financial statements include the Parent Company's share of net profit after tax of Rs. 46.55 lakhs for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of an associate company, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by the other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate company, is based solely on the reports of the other auditors.

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

- The consolidated financial statements also include the Parent Company's share of net loss after tax of Rs 583.13 lakhs for the March 31, 2020, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements/financial information have not been audited by us. These financial statements/financial information are unaudited and have been furnished to us by the Management of the Parent Company and our opinion on the consolidated financial statements, in so far as it related to the amounts and disclosures included in respect of this joint venture and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements/ financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- 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 financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2020 taken on record by the Board of Directors of the Parent Company and the report of the statutory auditor of one associate company and on the basis of the representation received from the management in respect of one joint venture, which are companies incorporated in India, none of the directors of the Parent Company, its associate company and joint venture is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls with reference to the financial statements of the Parent Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g) As required by Section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of one associate company and on the basis of the representation received from the management in respect of one joint venture, we report that the Parent Company, its associate company and joint venture covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Parent Company, its associate company and joint venture – refer Note 21.1 to the consolidated financial statements.
 - ii. The Parent Company, its associate company and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company, its associate and joint venture incorporated in India.

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

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778
ICAI UDIN: 20524778AAAABC3334

Place of Signature: New Delhi
Date: June 29, 2020

Annexure 'A' To the Independent Auditors' Report of even date on the Consolidated Financial Statement of Sharda Motor Industries Limited

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Parent Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Sharda Motor Industries Limited (hereinafter referred to as "the Company" or the "Parent Company") and its associate company and joint venture, which are companies incorporated in India, as of that date.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor of one associate company and management representation for un-audited joint venture referred to in the Other Matters Paragraph below, the Parent Company, its associate company and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on "the internal controls with reference to the financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, its associate company and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to the financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of one associate company and the representation received from the management for unaudited joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

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

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements in so far as it relates to one associate company, which is company incorporated in India, is based solely on the corresponding report of the other auditor and one joint venture, which is company incorporated in India, is solely based on the representation received from the management for such company. Our opinion is not modified in respect of this matter.

For Gupta Vigg & Co.

Chartered Accountants

Firm Registration Number: 001393N

(CA. Deepak Pokhriyal)

Partner

Membership Number: 524778

ICAI UDIN: 20524778AAAABC3334

Place of Signature: New Delhi

Date: June 29, 2020

Consolidated Balance Sheet as at March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No	As At March 31, 2020	As At March 31, 2019
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	17,544.07	19,239.26
(b) Capital work in progress	5	87.16	26.84
(c) Right-of-use assets	6	1,009.64	-
(d) Intangible assets	7	67.88	176.14
(e) Investment in Associate and Joint Venture	8	2,283.56	3,849.29
(f) Financial assets			
(i) Investments	8	3.45	1.75
(ii) Other financial assets	9	222.97	307.04
(g) Non-current tax asset (net)	10	278.22	74.57
(h) Other non-current assets	11	1,011.36	1,833.96
Total non-current assets		22,508.31	25,508.85
Current assets			
(a) Inventories	12	10,693.42	10,310.04
(b) Financial assets			
(i) Investments	8	1,676.06	8,235.82
(ii) Trade receivables	13	11,705.33	13,211.46
(iii) Cash and cash equivalents	14	7,860.17	7,043.48
(iv) Bank balances other than (iii) above	15	6,770.51	7,070.79
(v) Other financial assets	9	499.64	188.16
(c) Other current assets	11	487.99	510.83
(d) Asset held for sale		18.00	19.57
Total current assets		39,711.12	46,590.15
Total assets		62,219.43	72,099.00
II. Equity and liabilities			
Equity			
(a) Equity share capital	16	594.63	594.63
(b) Other equity	17	35,862.63	46,867.97
Total equity		36,457.26	47,462.60
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19	1,014.73	-
(ii) Other financial liabilities	19	27.79	34.30
(b) Provisions	21	444.33	524.03
(c) Deferred tax liabilities (net)	33	21.81	595.20
Total non-current liabilities		1,508.66	1,153.53
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
- Total outstanding dues of micro and small enterprises		349.28	345.24
- Total outstanding dues of creditors other than micro and small enterprises		20,302.37	18,771.53
(ii) Lease liabilities	19	57.17	-
(iii) Other financial liabilities	19	1,189.59	1,040.89
(b) Other current liabilities	20	1,710.72	2,859.94
(c) Provisions	21	644.38	465.27
Total current liabilities		24,253.51	23,482.87
Total liabilities		25,762.17	24,636.40
Total equity and liabilities		62,219.43	72,099.00
Summary of Significant Accounting Policies	3		

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

As per our Report of even date attached

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

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524578AAAABC3334

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Place of Signature : New Delhi
Date : 29th June, 2020

(Vivek Bhatia)
President & Group CFO
M.No. 89846

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

Consolidated Statement of profit and loss for year ended March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	22	86,298.81	113,987.27
II Other income	23	2,373.27	2,103.96
III Total income (I+II)		88,672.08	116,091.23
IV Expenses			
(a) Cost of materials consumed	24	52,284.35	70,971.10
(b) Purchases of stock-in-trade	25	5,974.42	6,989.97
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	26	329.17	(325.78)
(d) Employee benefits expense	27	8,496.97	8,578.33
(e) Finance costs	28	92.82	4.59
(f) Depreciation and amortization expense	29	4,021.28	4,096.83
(g) Other expenses	30	9,625.54	13,241.42
Total expenses		80,824.55	103,556.46
V Profit before exceptional items and tax (III-IV)		7,847.53	12,534.77
VI Exceptional items		-	-
VII Profit before tax (V-VI)		7,847.53	12,534.77
VIII Tax expense:			
(a) Current tax	31	2,456.00	4,022.65
(b) Deferred tax	31	(383.83)	(179.39)
Total tax expense		2,072.17	3,843.26
IX Profit for the year (VII-VIII)		5,775.36	8,691.51
X Share of profit/(loss) of associate (net of tax)		46.55	674.24
XI Share of profit/(loss) of joint venture (net of tax)		(583.13)	99.78
XII Profit for the year (IX+X+XI)		5,238.78	9,465.53
XIII Other comprehensive income			
- Re-measurement gains/ (losses) on defined benefit plans		(12.74)	(11.01)
- Income tax on items that will not be reclassified to profit or loss	32	3.21	3.96
Total other comprehensive income for the year, net of tax		(9.53)	(7.05)
XIV Total comprehensive income for the year, net of tax (XII+XIII)		5,229.25	9,458.48
XV Earnings per share: (Face value ₹ 10 per share)	34		
1) Basic (amount in ₹)		88.10	159.18
2) Diluted (amount in ₹)		88.10	159.18
Summary of Significant Accounting Policies	3		

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

As per our report of even date attached

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

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524578AAAABC3334

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Place of Signature : New Delhi
Date : 29th June, 2020

(Vivek Bhatia)
President & Group CFO
M.No. 89846

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

Consolidated Statement of changes in equity for the year ended March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

A. Equity Share Capital*	Amount
Balance as at March 31, 2018	594.63
Changes during the year	-
Balance as at March 31, 2019	594.63
Changes during the year	-
Balance as at March 31, 2020	594.63

B. Other Equity**	Reserve & Surplus			
	Capital Reserve	General Reserve	Retained earnings	Total
Balance as at March 31, 2018	0.20	21,025.68	16,831.87	37,857.75
Profit for the year		-	9,458.48	9,458.48
Payment of Dividend		-	(371.65)	(371.65)
Dividend Distribution Tax			(76.61)	(76.61)
Loss on account of assets & liabilities transferred pursuant to scheme (refer note no - 41)		-	(16,234.59)	(16,234.59)
Balance as at March 31, 2019	0.20	21,025.68	9,607.50	30,633.38
Profit for the year		-	5,229.25	5,229.25
Balance as at March 31, 2020		21,025.68	14,836.75	35,862.63
* For details refer note no. 16				
**For details refer note no. 17				

Summary of Significant Accounting Policies	3
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The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

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

For & on behalf of Board of Directors of
Sharda Motor Industries Limited
(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524578AAAABC3334

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Place of Signature : New Delhi
Date : 29th June, 2020
(Vivek Bhatia)
President & Group CFO
M.No. 89846

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

Consolidated Cash Flow Statement for the year ended March 31, 2020

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	7,847.53	12,534.77
Adjustments for:		
Loss on account of assets & liabilities transferred pursuant to scheme (refer note no - 41)	(16,234.59)	-
Depreciation and amortization	4,021.28	4,096.83
Finance cost	92.82	4.59
Interest income	(545.12)	(459.03)
Interest income under effective interest rate method on security deposits at amortised cost	-	(0.83)
Dividend Income - Current investment	-	(61.22)
Loss / (Gain) on sale of financial asset measured at Fair value through profit and loss (FVTPL)	(250.54)	(352.66)
Loss / (Gain) on disposal of property, plant and equipment (net)	(886.79)	(263.40)
Fair value gain on investment in mutual fund designated at FVTPL	(13.85)	(366.24)
Unrealized loss/(gain) on reinstatement of foreign exchange (net)	11.80	47.88
Operating profit / (loss) before adjustments	(5,957.46)	15,180.69
Movement in working capital:		
Decrease/(increase) in inventories	(383.39)	(1,748.00)
Decrease/(increase) in trade receivables	1,506.13	(983.64)
Decrease/(increase) in other financial assets	(165.67)	(15.73)
Decrease/(increase) in other assets	11.90	37.27
Increase/(decrease) in trade payables	1,523.08	790.01
Increase/(decrease) in other liabilities	(1,149.22)	97.12
Increase/(decrease) in other financial liabilities	244.86	(1.10)
Increase/(decrease) in provisions	86.66	145.32
Cash generated from operating activities	(4,283.11)	13,501.95
Income Tax (paid)/ refund	(2,086.26)	(4,047.16)
Net cash from operating activities - (A)	(6,369.37)	9,454.80
B CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including capital work-in-progress	(3,248.16)	(6,404.08)
Acquisition of intangible assets including intangible assets under development	(31.39)	(45.40)
Proceeds from disposal of property, plant and equipment	1,931.50	721.39
Payments for purchase of investments	(15,125.78)	(19,913.33)
Proceeds from sale of investments	22,977.40	22,897.24
Bank deposits (made)/relised	300.27	(1,900.62)
Dividend Income - Current investment	-	61.22
Interest received	482.54	426.66
Net cash used in investing activities - (B)	7,286.38	(4,156.91)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(6.59)	(4.59)
Cash payments for the Interest portion of the lease liability	(86.23)	-
Dividend paid (including corporate dividend tax)	(7.49)	(450.52)
Net cash used in financing activities - (C)	(100.31)	(455.11)
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	816.69	4,842.76
Cash and cash equivalents at the beginning of the year	7,043.48	2,200.73
Cash and cash equivalents at the end of the year [refer note 14]	7,860.17	7,043.48

Note

- The above consolidated cash flow statement has been prepared under the indirect method as set out in the Ind AS-7- "Statement of cash flow".
- Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less (refer note 14).
- For components of cash and cash equivalents include refer note no. 14.
- Cash flow from operating activities include Rs. 16.16 Lakhs (March 31, 2019: Rs. 13.90 Lakhs) being expenses towards Corporate Social Responsibility initiative.

As per our Report of even date attached

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

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524578AAAABC3334

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Aashim Relan)
Chief Executive Officer

Place of Signature : New Delhi
Date : 29th June, 2020

(Vivek Bhatia)
President & Group CFO
M.No. 89846

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

Notes to Consolidated financial statements for the year ended March 31, 2020**Note 1: Group Information**

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

During the year ended March 31, 2019, a scheme of de-merger between the Automobile Seating Business of Sharda Motor Industries Limited ("Transferor Company") was filed before the National Company Law Tribunal, New Delhi ("The Scheme") and the approval on the same was pronounced via order dated February 20, 2020. The de-merger was effectuated for F.Y. 2018-19 in the effect of provisions contained in provisions contained in Para 9 (iii) of Appendix C of Ind AS 103. Wherever applicable, the financial statements for the year ended March 31, 2020 represents the demerged financials of Sharda Motor Industries Limited.

Note 2: Basis of preparation of Financial statements**2.1 Statement of Compliance:**

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

The consolidated financial statements were authorized for issue by the Company's Board of Directors on 29th June 2020.

2.2 Basis of preparation and presentation:

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

The principal accounting policies are set out below.

2.3 Basis of consolidation and equity accounting:**(i) Associates**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (iii) below), after initially being recognised at cost.

(ii) Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method of accounting (see note(iii) below), after initially being recognised at cost in the consolidated balance sheet.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

- (iv)** To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statements. Inconsistency, if any, between the accounting policies of the associates and joint ventures have been disclosed in the notes to accounts.

2.4 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2020 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.5 Use of estimates and judgments:

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

Judgements

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

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020:

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

2.6 Measurement of fair values:

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

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

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

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

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

2.7 Operating cycle:

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

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

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

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

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

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

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

Rendering of Services

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

Dividend and Interest Income

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

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

3.2 Impairment of Financial Assets

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

3.3 Impairment of Non-Financial Assets

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

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

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

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

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

3.4 Recognition of interest expense:

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

liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.5 Property, Plant and Equipment (PPE):

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

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

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

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

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

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

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

Depreciation: Depreciation is provided using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II based on the technical estimate made by the management.

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Plant & Machinery	20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%

3.6 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware), Technical Know-How and Guidance Fee. Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortisation method and useful lives: Intangible assets other than Technical Know-How and Guidance Fee are amortized on a straight line basis over the estimated life of three years and Technical Know-How and Guidance Fee is amortised on straight line method over the estimated life of 6 years from the date of capitalisation.

3.7 Research & Development Costs:

- The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.
- Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.8 Borrowing costs:

Borrowing costs directly attributable to acquisition or construction or production of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

3.9 Foreign currencies:

Functional and presentational currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

The Company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of Company itself. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.10 Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

3.11 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.12 Employee Benefits:

Short Term Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund and employee state insurance are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Other Long Term Employee Benefits

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

3.13 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

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

Contingent assets are disclosed when there is a possible asset that arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

3.14 Financial instruments:

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

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

(a) Financial Assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

Classification of financial assets

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

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

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

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

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

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

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

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

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

Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has an equity investment in an entity which is not held for trading. The Company has elected to measure this investment at amortised cost. Dividend, if any, on this investments is recognised in profit or loss.

Equity investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Financial assets at fair value through profit or loss (FVTPL)

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

Investments in mutual funds are measured at fair value through profit and loss. Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Trade receivables

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

Impairment of financial assets

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

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

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

Derecognition of financial assets

A financial asset is derecognised only when

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

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are

designated as hedge instrument in a hedging relationship.

Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

(b) Financial liabilities and equity instruments

Classification of debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

Trade and other payables

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

Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

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

3.15 Derivative financial instruments:

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

3.16 Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for

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

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

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

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

Current and deferred tax for the year

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

3.17 Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.18 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.19 Dividends:

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

3.20 Assets Held for Sale;

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

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

3.21 Earnings per share (EPS):

Basic earnings per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

Note 4 : Property, Plant and Equipment

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Freehold land	Right-of-use Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture & Fixtures	Electric Fittings	Vehicles	Total
<u>Gross carrying amount</u>										
As at March 31, 2018	1,403.31	642.22	13,555.54	4,989.24	237.23	135.32	93.12	1,062.81	438.95	22,557.74
Add: Additions made during the year	-	-	5,249.83	4.56	10.82	25.42	4.44	3.84	398.03	5,696.94
Less: Disposals / adjustments during the year	-	-	711.05	-	0.52	0.19	0.01	0.72	66.70	779.19
As at March 31, 2019	1,403.31	642.22	18,094.32	4,993.80	247.53	160.55	97.55	1,065.93	770.28	27,475.49
Less: Transfer pursuant to scheme of arrangements*	752.84	-	1,660.23	1,235.88	62.82	5.30	23.79	243.87	12.15	3,996.88
Add: Additions made during the year	-	-	6,821.92	15.50	17.36	47.75	2.06	8.30	54.44	6,967.31
Less: Disposals / adjustments during the year	-	-	1,463.20	-	1.40	1.41	0.86	6.59	19.49	1,492.95
As at March 31, 2020	650.47	642.22	21,792.80	3,773.42	200.67	201.59	74.96	823.77	793.08	28,952.97
<u>Accumulated depreciation and impairment</u>										
As at March 31, 2018	-	17.34	5,368.46	941.37	105.79	71.84	41.44	353.11	172.63	7,071.98
Add: Depreciation charge for the year	-	8.67	2,613.06	403.07	36.98	39.32	14.13	132.02	153.70	3,400.95
Less: On disposals / adjustments during the year	-	-	279.23	-	0.52	0.19	-	0.72	36.31	316.97
As at March 31, 2019	-	26.01	7,702.29	1,344.44	142.25	110.97	55.57	484.41	290.02	10,155.96
Less: Transfer pursuant to scheme of arrangements*	-	-	109.49	31.27	3.62	0.70	1.77	12.77	1.13	160.75
Add: Depreciation charge for the year	-	8.67	2,930.94	247.15	18.31	34.84	5.56	66.49	145.02	3,456.98
Less: On disposals / adjustments during the year	-	-	450.97	-	1.39	1.41	0.86	6.56	12.49	473.68
As at March 31, 2020	-	34.68	10,072.77	1,560.32	155.55	143.70	58.50	531.57	421.42	12,978.51

*Refer note no. 41

Research & Development

	Freehold land	Right-of-use Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
<u>Gross carrying amount</u>										
As at March 31, 2018	-	-	2,053.86	599.63	34.36	30.08	9.56	139.67	18.00	2,885.16
Add: Additions made during the year	-	-	294.42	-	0.73	14.17	0.00	-	10.66	319.98
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	2,348.28	599.63	35.09	44.25	9.56	139.67	28.66	3,205.15
Add: Additions made during the year	-	-	-	-	0.42	16.10	1.85	-	-	18.37
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	-	2,348.28	599.63	35.51	60.35	11.41	139.67	28.66	3,223.52
<u>Accumulated depreciation and impairment</u>										
As at March 31, 2018	-	-	753.05	55.93	17.95	17.70	2.62	46.04	5.52	898.81
Add: Depreciation charge for the year	-	-	325.19	25.98	5.23	5.99	1.79	16.97	5.46	386.61
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	1,078.24	81.91	23.18	23.69	4.41	63.01	10.98	1,285.42
Add: Depreciation charge for the year	-	-	305.30	24.74	3.52	13.00	3.03	13.89	5.02	368.50
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	-	1,383.54	106.65	26.70	36.69	7.43	76.90	16.01	1,653.93
<u>Net carrying amount</u>										
As at March 31, 2020	650.47	607.54	12,684.78	2,706.08	53.93	81.55	20.43	354.97	384.32	17,544.07
As at March 31, 2019	1,403.31	616.21	11,662.07	4,167.08	117.19	70.14	47.14	658.18	497.94	19,239.26

Notes:
1. Details of assets charged to Banks:

- Hypothecation of movable assets including Plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital lenders.

(Currency : ₹ in Lakhs except otherwise specified)

Note 5 : Capital work In progress

Plant & Machinery

	As At March 31, 2020	As At March 31, 2019
	87.16	26.84
	87.16	26.84

Note 6 : Right-of-use assets*

Particulars	Right-of-use assets
<u>Gross Carrying Amount</u>	
As at April 01, 2019	-
Add: Transition impact of Ind AS 116	1,065.79
Add: Additions made during the period	-
As at March 31, 2020	1,065.79
<u>Accumulated depreciation and impairment</u>	
As at April 01, 2019	-
Add: Depreciation charge for the period	56.15
As at March 31, 2020	56.15
<u>Net carrying amount</u>	
As at March 31, 2020	1,009.64

*Note: 1. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset ('ROU') at an amount equal to the lease liability. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

Note 7 : Intangible assets

Particulars	Computer Software	Technical Knowhow & Guidance	Total
<u>Gross carrying amount</u>			
As at March 31, 2018	43.53	1,179.20	1,222.73
Add: Additions made during the year	45.41	-	45.41
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	88.94	1,179.20	1,268.14
Less: Transfer pursuant to scheme of arrangements *	8.02	-	8.02
Add: Additions made during the year	23.05	-	23.05
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2020	103.97	1,179.20	1,283.17
<u>Accumulated amortisation and impairment</u>			
As at March 31, 2018	16.92	863.36	880.28
Add: Amortisation for the year	19.29	238.08	257.37
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	36.21	1,101.44	1,137.65
Less: Transfer pursuant to scheme of arrangements *	1.39	-	1.39
Add: Amortisation for the year	22.23	77.76	99.98
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2020	57.05	1,179.20	1,236.25

* Refer note no-41

Research & Development

Particulars	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
As at March 31, 2018	168.12	22.54	190.66
Add: Additions made during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	168.12	22.54	190.66
Add: Additions made during the year	14.97	-	14.97
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2020	183.09	22.54	205.63
Accumulated amortisation and impairment			
As at March 31, 2018	70.57	22.54	93.11
Add: Amortisation for the year	51.90	-	51.90
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	122.47	22.54	145.01
Add: Amortisation for the year	39.66	-	39.66
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2020	162.13	22.54	184.67
Net carrying amount			
As at March 31, 2020	67.88	0.00	67.88
As at March 31, 2019	98.38	77.76	176.14

Note 8 : Investments
NON-CURRENT
Investments measured at cost
In equity shares of Associate

Quoted, fully paid up

NIL* (March 31, 2019: 9,000,000) Equity Shares of ₹ 2/- each of Bharat Seats Limited { including 4,500,000 Bonus Shares (March 31, 2019: 4,500,000) }	-	3,132.22
	-	3,132.22

In equity shares of Associate

Unquoted, fully paid up

490,000 (March 31, 2019: 490,000) Equity shares of ₹ 10 each of Relan Industrial Finance Limited	366.69	320.14
	366.69	320.14

In equity shares of Joint Venture

Unquoted, fully paid up

NIL* (March 31, 2019: 5,000) Equity shares of ₹ 10 each of Toyota Boshoku Relan India Private Limited	-	0.36
NIL* (March 31, 2019: 750,000) Equity shares of ₹ 10 each of Toyo Sharda India Private Limited	-	396.57
25,000,000 (March 31, 2019: 10,000) Equity shares of ₹ 10 each of Exhaust Technology Private Limited	1,916.87	-
	1,916.87	396.93

In equity shares of Other

Unquoted, fully paid up

34,500 (March 31, 2019: 17,500) Equity shares of ₹ 10 each of Windage Power Company Private Limited	3.45	1.75
	3.45	1.75

(Currency : ₹ in Lakhs except otherwise specified)

Information about Subsidiary, Associates & Joint Ventures

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest	
	As At March 31, 2020	As At March 31, 2019
Associates		
Bharat Seats Limited, India, Manufacturing of Seating System*	-	28.66
Relan Industrial Finance Limited, India, Service provider of investments	47.12	47.12
Joint Ventures		
Toyota Boshoku Relan India Private Limited, India, Manufacturing of Seating System*	-	50.00
Toyo Sharda India Private Limited, India, Manufacturing of Seating System*	-	50.00
Exhaust Technology India Private Limited, India, Manufacturing of exhaust systems	50.00	-
Total (A)	2,287.01	3,851.04

*Transfer of investment pursuant to scheme of arrangements (refer note no.41)

CURRENT

Investment measured at fair value through profit or loss

Investment In Mutual Fund (Quoted)

- Nil (March 31,2019: 6,999,407.76) units of Reliance Short Term Fund (Growth)	-	2,430.21
- Nil (March 31,2019: 3,776,031.01) units of ICICI Prudential Short Term plan Regular (Growth)	-	1,458.33
- Nil (March 31,2019: 408,105.3) units of Aditya Birla Sunlife Short Term Fund (Growth)	-	292.39
- Nil (March 31,2019: 223,015.17) units of ICICI Prudential equity & debt fund (Growth)	-	299.82
- Nil (March 31,2019: 582,328.09) unit of Reliance prime debt Fund (Growth)	-	227.80
-Nil (March 31,2019: - 3,980,758.54) units SBI Equity Savings Fund - Regular Plan-Growth	-	202.17
- Nil (March 31,2019: 54,519.21) units ICICI Prudential Money Market Fund - Growth	-	462.89
- Nil (March 31,2019: 41,199.265) units SBI Premier Liquid Fund	-	1,200.00
- 50 (March 31,2019: 50) units NHAI 2030 - Tax free Bond	597.99	572.22
- 50,000 (March 31,2019: 50,000) units REC 2022 - Tax free Bond	540.01	550.00
- 50,000 (March 31,2019: 50,000) units IRFC 2022 - Tax free Bond	538.06	539.99

Total (B)	1,676.06	8,235.82
------------------	-----------------	-----------------

Total (A+B)	3,963.07	12,086.86
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Aggregate value of unquoted investments	2,287.01	718.82
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Aggregate value of quoted investments	1,606.91	10,432.22
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Market value of quoted investments	1,676.06	16,443.82
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Aggregate value of impairment in the value of investment	-	-
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Note 9 : Other financial assets
(Unsecured and considered good, unless otherwise stated)
Non- current

Security deposits
(Refer to note 'a' below)

Deposits with original maturity of more than 12 months and remaining maturity of more than 12 months (Refer to note 'b' below)

Total (A)
Current

Staff Advance

Interest accrued on fixed deposits

Interest accrued others

Receivable from related parties

(Refer to note 'c' below)

Total (B)
Total (A+B)

	As At March 31, 2020	As At March 31, 2019
Security deposits (Refer to note 'a' below)	222.97	302.04
Deposits with original maturity of more than 12 months and remaining maturity of more than 12 months (Refer to note 'b' below)	-	5.00
Total (A)	222.97	307.04
Current		
Staff Advance	28.24	21.24
Interest accrued on fixed deposits	214.79	153.34
Interest accrued others	6.07	4.96
Receivable from related parties	250.54	8.62
(Refer to note 'c' below)		
Total (B)	499.64	188.16
Total (A+B)	722.60	495.20

- a) Security deposits are not in the nature of loans hence classified as part of other financial assets.
- b) Margin Money Deposit is pledged with Canara bank amounting to ₹ Nil (March 31, 2019: ₹ 5.00 Lakhs).
- c) For detailed related party disclosures, refer note no. 36.

Note 10 : Non-current tax asset

Advance Income Tax

(Net of provision of ₹ 12,830.39 Lakhs (March 31, 2019 : ₹ 10,351.66 Lakhs))

	As At March 31, 2020	As At March 31, 2019
Advance Income Tax	278.22	74.57
	278.22	74.57

Note 11 : Other assets
(Unsecured and considered good, unless otherwise stated)
Non- Current

Capital advances (refer note below)

Prepaid Expenses

Total (A)
Current

Balance with Statutory Authorities

Advances to Suppliers

Prepaid Expenses

Other Receivable*

Total (B)
Total (A+B)

	As At March 31, 2020	As At March 31, 2019
Capital advances (refer note below)	1,000.42	1,833.96
Prepaid Expenses	10.94	-
Total (A)	1,011.36	1,833.96
Current		
Balance with Statutory Authorities	28.42	51.41
Advances to Suppliers	280.75	280.13
Prepaid Expenses	174.85	169.49
Other Receivable*	3.97	9.80
Total (B)	487.99	510.83
Total (A+B)	1,499.35	2,344.79

*Other receivable includes duty drawback receivable, staff imprest account etc.

Note: Details of Capital commitment is as follows:

Particulars	As At March 31, 2020	As At March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts, net of capital advance.	630.06	2,345.30
	630.06	2,345.30

Note 12: Inventories
(Valued at lower of cost or net realizable value)

Raw Materials

Raw Materials - In Transit

Work In Progress

Consumable Stores and Spares

	As At March 31, 2020	As At March 31, 2019
Raw Materials	8,604.20	7,659.54
Raw Materials - In Transit	232.27	289.49
Work In Progress	1,653.49	2,108.06
Consumable Stores and Spares	203.46	252.95
	10,693.42	10,310.04

Note:

- The mode of valuation of inventories has been stated in note 3.10.
- Inventories have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

Note 13 : Trade receivables

Unsecured, Considered Good

Unsecured, Considered credit impaired

	As At March 31, 2020	As At March 31, 2019
Unsecured, Considered Good	11,705.33	13,211.46
Unsecured, Considered credit impaired	2.51	2.51
	11,707.84	13,213.97
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	2.51	2.51
	11,705.33	13,211.46

- Trade receivables have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.
- Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

Note 14 : Cash and cash equivalents

Balances with banks:

- on current account

- deposits with original maturity of less than 3 months

Cash in hand:

	As At March 31, 2020	As At March 31, 2019
Balances with banks:		
- on current account	7,859.97	6,043.32
- deposits with original maturity of less than 3 months	-	1,000.00
Cash in hand:	0.20	0.16
	7,860.17	7,043.48

- Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 15 : Bank balances other than cash and cash equivalents

Balances with banks:

- Unclaimed dividend account

Deposits with original maturity of more than 3 months but less than 12 months

Deposits with original maturity of more than 12 months but remaining maturity less than 12 months

	As At March 31, 2020	As At March 31, 2019
Balances with banks:		
- Unclaimed dividend account	32.21	39.70
Deposits with original maturity of more than 3 months but less than 12 months	2,628.30	4,031.09
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	4,110.00	3,000.00
	6,770.51	7,070.79

Note 16 : Equity Share Capital
Authorised Share Capital

50,000,000* (March 31, 2019: 50,000,000) equity shares of ₹ 10 each

5,000.00

5,000.00

Issued, subscribed and fully paid up

5,946,326* (March 31, 2019: 5,946,326) equity shares of ₹ 10 each

594.63

594.63

594.63
594.63

*Note: Number of Shares are given in absolute numbers

a) Reconciliation of share capital:

	As At March 31, 2020		As At March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	5,946,326	594.63	5,946,326	594.63
Issue/buy back during the year	-	-	-	-
Balance as at the end of the year	5,946,326	594.63	5,946,326	594.63

b) Terms/ rights attached to equity shares:

- The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. No dividend was proposed by the Board of Directors during the year (March 31, 2019: ₹ Nil per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- During the year, no interim dividend (March 31, 2019: ₹ Nil per share) has been recognized as distributions to equity shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Name of Party	As At March 31, 2020		As At March 31, 2019	
	No. of shares	Holding %	No. of shares	Holding %
Ajay Relan	1,927,219	32.41%	1,927,219	32.41%
Rohit Relan	700,268	11.78%	428,818	7.21%
Ritu Relan	742,520	12.49%	742,520	12.49%
Mala Relan	520,826	8.76%	520,826	8.76%
Aashim Relan	304,440	5.12%	304,440	5.12%

Note 17 : Other Equity
Amount
a) General Reserve
Balance as at March 31, 2018
21,025.68

Movement during the year

-

Balance as at March 31, 2019

21,025.68

Movement during the year

-

Balance as at March 31, 2020
21,025.68

The general reserve is created from, time to time transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

b) Capital Reserve
Balance as at March 31, 2018
0.20

Movement during the year

-

Balance as at March 31, 2019
0.20

Movement during the year

-

Balance as at March 31, 2020
0.20

c) Retained Earnings

Balance as at March 31, 2018	16,831.87
Add:- Profit for the year	9,458.48
Less: Dividend Paid	371.65
Less: Dividend Distribution Tax Paid	76.61
Balance as at March 31, 2019	25,842.09
Loss on account of assets & liabilities transferred pursuant to scheme (refer note no.41)	(16,234.59)
Add:- Profit for the year	5,229.25
Balance as at March 31, 2020	14,836.75

Notes:

1. General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
2. Capital Reserve: The company recognise profit and loss on sale, purchase, cancellation and forfeiture of the company's own equity instruments to capital reserve.
3. Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Total Other Equity:

As at March 31, 2019	46,867.97
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	25,842.09
As at March 31, 2020	35,862.63
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	14,836.75

Note 18 : Trade payables

	As At March 31, 2020	As At March 31, 2019
- Outstanding dues of micro and small enterprises	349.28	345.24
- Outstanding dues of creditors other than micro and small enterprises	20,302.37	18,771.53
	20,651.65	19,116.77

- a) Trade payables are non-interest bearing and are normally settled on 90-day terms (except for MSME). The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note no 40.
- b) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2020 to micro and small enterprises as defined in Industries (Development and Regulation) Act, 1951.

Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006.

	As At March 31, 2020	As At March 31, 2019
- Principal amount due	347.56	344.34
- Interest accrued and due on above	1.72	0.90
	349.28	345.24
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil

- (iii) The amount of interest accrued and remaining unpaid at the end of each accounting year 2.01 0.90
- (iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 Nil Nil
- i. The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.
- ii. The total dues to Micro and Small Enterprises which were outstanding for more than stipulated period are ₹ 347.27 lakhs (March 31, 2019 : 71.08 lakhs)

Note 19 : Other Financial Liabilities
Non Current

Security deposit

Lease liabilities

Total (A)
Current

Payable to related party (refer note no. 36)

Unclaimed dividends (refer note (a) below)

Lease liabilities

Creditors for capital goods-micro and small enterprises

Creditors for capital goods- Other than micro and small enterprises

Total (B)
Total (A+B)

	As At March 31, 2020	As At March 31, 2019
Security deposit	27.79	34.30
Lease liabilities	1,014.73	-
Total (A)	1,042.52	34.30
Current		
Payable to related party (refer note no. 36)	241.23	-
Unclaimed dividends (refer note (a) below)	32.21	39.70
Lease liabilities	57.17	-
Creditors for capital goods-micro and small enterprises	11.39	1.65
Creditors for capital goods- Other than micro and small enterprises	904.76	999.54
Total (B)	1,246.76	1,040.89
Total (A+B)	2,289.28	1,075.19

- a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2020 (March 31, 2019, Nil).

Note 20 : Other Liabilities
Current

Advance from customers

Statutory dues

Others *

Total

	As At March 31, 2020	As At March 31, 2019
Advance from customers	807.95	1,298.60
Statutory dues	864.64	1,518.93
Others *	38.13	42.41
Total	1,710.72	2,859.94

* Other comprises of custom duty, earnest money received and staff payable etc.

Note 21 : Provisions
Non- current
Provision for employee benefits :

Provision for compensated absences (refer note 35)

Others :

Provision for warranty

Total (A)
Current
Provision for employee benefits :

Provision for compensated absences (refer note 35)

Provision for gratuity (refer note 35)

Others :

Provision for warranty

Total (B)
Total (A+B)

	As At March 31, 2020	As At March 31, 2019
Provision for compensated absences (refer note 35)	197.54	203.04
Others :		
Provision for warranty	246.79	320.99
Total (A)	444.33	524.03
Current		
Provision for employee benefits :		
Provision for compensated absences (refer note 35)	156.66	133.57
Provision for gratuity (refer note 35)	312.02	153.67
Others :		
Provision for warranty	175.70	178.03
Total (B)	644.38	465.27
Total (A+B)	1,088.71	989.30

Disclosure for warranty claim payable
Provision for warranty claim

	As At March 31, 2020	As At March 31, 2019
Opening Balance	499.02	386.92
Less: Transfer pursuant to scheme of arrangements	185.96	-
Add : Provision made during the year	175.70	178.03
Less : Paid during the year	66.27	65.93
Balance at the end of the year	422.49	499.02

Note 21.1 Contingent Liabilities
(a) Claims against the Company not acknowledged as debts

	As At March 31, 2020	As At March 31, 2019
i) Disputed State Tax Matters	65.01	65.01
ii) Disputed Excise Matters	1.51	9.67
iii) Disputed Service Tax Matters	53.75	76.09
iv) Disputed Income Tax Matters	385.20	42.58
v) Disputed Central Excise Matters	440.00	440.00
vi) Bill discounting	749.16	151.04
vii) Dispute with Vendor	6.96	10.55
viii) Others	6.86	33.00

(b) Letter of Credit

i. Foreign	3,121.84	2,551.09
ii. Inland	613.66	-

Notes:

- (i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.
- (ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Company is in process of evaluating the impact of recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organization in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

Note 22 : Revenue from operations
Sale of Product

- Finished goods	79,260.94	105,368.87
- Traded goods	6,460.14	7,844.42
	85,721.08	113,213.29

Sale of services
Other Operating Revenues

- Sale of scrap	448.17	711.43
Revenue from operations	86,298.81	113,987.27

Note 23 : Other income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income		
- Fixed deposits with banks	421.97	469.08
- Finance income	-	0.83
- Others *	123.14	10.05
Dividend income from		
- Current investment	-	61.22
Profit on sale of current investments designated at FVTPL	250.54	352.66
Net gain on disposal of property, plant and equipments	886.79	263.40
Management support supply services**	227.61	-
Fair value gain on investment in mutual funds designated at FVTPL	13.85	366.24
Miscellaneous income	449.37	580.48
	2,373.27	2,103.96

* Others comprises of interest received on Tax free bond, deposits with electricity boards etc.

** Refer to related party note no. 36

Note 24 : Cost of Raw Material Consumed
Raw Material

	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	7,659.54	6,195.98
Less: Transfer pursuant to scheme of arrangements (Refer note no-41)	410.38	-
Add:- Purchases during the year	53,639.39	72,434.66
Less:- Balances of raw material at the end of the year	8,604.20	7,659.54
Total cost of raw material consumption	52,284.35	70,971.10

Note 25 : Purchase of Stock in Trade

	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of stock in trade	5,974.42	6,989.97
	5,974.42	6,989.97

Note 26 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade
Inventories at the beginning of the year

	For the year ended March 31, 2020	For the year ended March 31, 2019
Finished goods	-	-
Work- in- progress	2,108.06	1,782.28
Less: Transfer pursuant to scheme of arrangements (Refer note no-41)	125.40	-
Traded goods	-	-
	1,982.66	1,782.28

(A)

Inventories at the end of the year

	For the year ended March 31, 2020	For the year ended March 31, 2019
Finished goods	-	-
Work- in- progress	1,653.49	2,108.06
Traded goods	-	-
	1,653.49	2,108.06

(B)

(Increase) / Decrease in inventories

	For the year ended March 31, 2020	For the year ended March 31, 2019
Finished goods	-	-
Work- in- progress	329.17	(325.78)
Traded goods	-	-
(Increase) / Decrease in Inventory (A-B)	329.17	(325.78)

Note 27 : Employee benefits expense

Salaries, wages & other benefits
Contribution to provident and other funds*
Gratuity (refer note 35)
Staff welfare expenses

For the year ended March 31, 2020	For the year ended March 31, 2019
7,531.04	7,510.53
382.32	408.02
120.59	119.40
463.02	540.38
8,496.97	8,578.33

*** Defined contribution plans**
Amount recognised in statement of profit & loss

Employee state insurance
Provident fund
Welfare fund

33.66	53.40
348.26	353.84
0.40	0.78
382.32	408.02

Note 28 : Finance cost

Interest expense
Interest on lease liability

For the year ended March 31, 2020	For the year ended March 31, 2019
6.59	4.59
86.23	-
92.82	4.59

Note 29 : Depreciation and amortization expense

Depreciation on property, plant and equipment
Amortization of intangible assets
Depreciation on right of use assets

For the year ended March 31, 2020	For the year ended March 31, 2019
3,825.49	3,787.56
139.64	309.27
56.15	-
4,021.28	4,096.83

Note 30 : Other expenses

Consumable tools
Power & fuel
Hire labour charges
Manufacturing expenses
Rent, rates & taxes
Repair & maintenance
-Repair to building
-Repair to plant & equipments
-Repair others
Net loss on foreign exchange fluctuation
Royalty fees
Research & development expenses (refer details 'c' below)
Travelling & conveyance
Insurance
Communication cost
Director's sitting fee & commission
Legal & professional expenses
CSR expenses (refer details 'b' below)
Warranty claim
Selling expenses

For the year ended March 31, 2020	For the year ended March 31, 2019
207.05	206.62
676.49	1,148.23
2,530.77	4,825.57
223.84	200.44
236.40	349.96
27.49	88.78
241.06	360.97
156.83	207.51
10.40	12.84
0.21	1.62
2,443.32	2,328.55
780.59	803.52
66.21	66.02
71.59	64.06
17.80	18.20
356.43	620.95
16.16	13.90
175.70	178.03
1.32	7.33

Packing material	166.28	224.32
Freight outward	355.31	620.27
Auditor's remuneration (refer details 'a' below)	16.25	17.26
Miscellaneous expenses	848.04	876.20
Pre-incorporation expenses		0.27
Total	9,625.54	13,241.42

a) Details of payment made to auditors is as follows:

Payment to auditors	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor:		
- Statutory audit fee	9.35	9.00
- Tax audit fee *	5.50	5.00
In Other Capacity:		
- Reimbursement of expenses	0.75	0.26
- Other services	0.65	3.00
	16.25	17.26

* Tax audit fee has been provided for auditor other than Statutory Auditors for current year as well as previous year.

b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:

- Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 209.01 Lakhs (March 31, 2019: ₹ 158.11 lakhs)
- Amount spent during the year

Purpose for which expenditure incurred	Remarks	For the year ended March 31, 2020	For the year ended March 31, 2019
- Construction/acquisitions of any asset		-	-
- On purpose other than (i) above	Payment to 'Sharda CSR Foundation Trust' for incurring CSR Expenditure	16.16	13.90
Amount yet to be spent		192.85	144.21
Total		209.01	158.11

c) Research & Development Expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Research & development expenses include:		
- Purchases	90.96	58.11
- Salary, wages and other allowance	1,324.51	1,204.25
- Travelling expenses	169.13	154.15
- Design, development and other expenses	858.72	912.04
	2,443.32	2,328.55

d) Company's R&D Center at Chennai which is recognized at DSIR, Govt. of India upto March 31, 2020 has incurred following expenditure from the last five years.

Financial Year	Capital Expense	Revenue Expense
2014-15	79.63	656.03
2015-16	456.72	847.78
2016-17	217.47	986.33
2017-18	181.09	1,441.08
2018-19	319.97	2,328.55
2019-20	33.33	2,443.32

Note 31: Income Tax

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are as below:

Income tax recognised in profit or loss

	As At March 31, 2020	As At March 31, 2019
Current tax		
a) In respect of current year	2,456.00	4,063.94
b) Adjustments in respect of current income tax of previous year	-	(41.29)
	2,456.00	4,022.65
Deferred tax		
In respect of current year	(383.83)	(179.39)
	(383.83)	(179.39)
Income tax expense recognised in the current year	2,072.17	3,843.26

The income tax expense for the year can be reconciled to the accounting profit as follows:

	As At March 31, 2020	As At March 31, 2019
Profit before tax	7,847.53	12,534.77
Tax at the Indian tax rate of 25.168% (March 31, 2019: 34.944%)	1,971.48	4,374.43
Adjustments in respect of current income tax of previous years	-	(41.29)
Effect of expenses that are not deductible in determining taxable profit	4.07	10.74
Weighted deduction for research and development expenses	-	(520.47)
Income not considered for tax purpose	-	(56.18)
Others	96.62	76.03
Tax expenses recognised in statement of profit or loss	2,072.17	3,843.26

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (March 31, 2019: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.

32 Income tax recognised in other comprehensive income

	As At March 31, 2020	As At March 31, 2019
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	3.21	3.96
Total tax recognised in other comprehensive income	3.21	3.96
Bifurcation of the income tax recognised in other comprehensive income into : -		
- Items that will not be reclassified to profit or loss	3.21	3.96
	3.21	3.96

Note 33: Deferred tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

	As At March 31, 2020	As At March 31, 2019
Deferred tax assets	305.68	308.54
Deferred tax liabilities	327.49	903.74
Net deferred tax liabilities	21.81	595.20

	As At March 31, 2018	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2019
Deferred tax assets				
Defined benefit obligation	99.08	65.82	6.42	171.32
Expenses deductible in future years	-	136.29	-	136.29
Others	0.93	-	-	0.93
Total deferred tax assets	100.01	202.11	6.42	308.54
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	140.88	148.77	-	289.65
Property, plant and equipment and intangible assets	740.15	(126.06)	-	614.09
	881.03	22.71	-	903.74
Net deferred tax liabilities	781.02	(179.40)	(6.42)	595.20
	As At March 31, 2019	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2020
Deferred tax assets				
Defined benefit obligation	171.32	(8.47)	3.21	166.06
Expenses deductible in future years	136.29	(32.50)	-	103.79
Others	0.93	34.90	-	35.83
Total deferred tax assets	308.54	(6.07)	3.21	305.68
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	289.65	(286.17)	-	3.48
Property, plant and equipment and intangible assets	614.09	(121.04)	-	493.05
Others	-	20.51	-	20.51
	903.74	(386.70)	-	517.04
Less: Transfer pursuant to scheme of arrangements (refer note no-41)				(189.55)
Net deferred tax liabilities	595.20	(380.63)	(3.21)	21.81

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note 34: Earnings per share (EPS)	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity holders from continuing operations (A)	5,238.78	8,641.55
Profit attributable to equity holders from discontinued operations (B)	-	823.98
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers) (C)	59.46	59.46
Earning per share from continuing and discontinued operations		
Basic earnings per share (in ₹) - (A+B)/C	88.10	159.18
Diluted earnings per share (in ₹) - (A+B)/C	88.10	159.18
Earning per share from continuing operations		
Basic earnings per share (in ₹) - A/C	88.10	145.33
Diluted earnings per share (in ₹) - A/C	88.10	145.33
Earning per share from discontinued operations		
Basic earnings per share (in ₹) - B/C	-	13.86
Diluted earnings per share (in ₹) - B/C	-	13.86

Note 35 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Statement of profit and loss account under Company's contribution to defined contribution plan:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund/ Pension Fund	348.26	353.84
Employer's Contribution to Employee State Insurance	33.66	53.40
Employer's Contribution to Employee Welfare Fund	0.40	0.78
Total	382.32	408.02

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

"The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 30 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation as at the beginning of the year	1,212.65	336.61	1,055.52	286.30
Acquisition adjustment	(103.58)	(15.53)		
Add: Interest cost	79.85	23.12	79.16	21.47
Add: Current service cost	132.65	77.80	126.23	68.70
Add: Past service cost	-	-	-	-
Less: Benefits paid	(35.94)	(15.03)	(69.00)	(37.82)
Add: Actuarial (gain) / loss				
- Demographic assumptions	0.20	0.07	-	-
- Financial assumptions	44.48	5.98	15.17	2.37
- Experience adjustments	(29.82)	(58.81)	5.57	(4.42)
Present value of obligation as at the end of the year	1,300.49	354.21	1,212.65	336.61

d) Components of expenses recognised in the statement of profit or loss in respect of:

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Current service cost	132.65	77.80	126.23	68.70
Past service cost	-	-	-	-
Interest cost	11.19	23.12	11.43	21.47
Remeasurements	-	-	-	-
Return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	(52.76)	-	(2.05)
Expenses recognised in profit/loss (Refer Note Below)	143.84	48.16	137.66	88.12

Note : Gratuity expense of ₹ 130.12 Lakhs (March 31, 2019: ₹ 112.98 Lakhs) has been recognised in Statement of Profit & Loss and ₹ 26.52 Lakhs (March 31, 2019: ₹ 18.25 Lakhs) in R&D expenditure.

e) Components of expenses recognised in the other comprehensive income in respect of:

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Actuarial (gains) / losses				
- changes in demographic assumptions	0.20	0.02	-	-
- changes in financial assumptions	44.48	5.98	15.17	2.37
- experience variance	(29.82)	(58.76)	5.57	(4.42)
Return on plan assets, excluding amount recognised in net interest expense	(2.13)	-	(2.37)	-
Component of defined benefit costs recognised in other comprehensive income	12.74	(52.76)	18.37	(2.05)

Note:

- (i) The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.
(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

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

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	1,058.98	-	903.13	-
Acquisition adjustment	(105.36)	-	-	-
Add: Investment income	68.66	-	67.74	-
Add: Expected return on plan assets	2.13	-	2.37	-
Add: Employer's contribution	0.08	-	154.75	-
Add: Employee's contribution	-	-	-	-
Less: Benefits paid	(35.94)	-	(69.01)	-
Add: Actuarial gains / (losses) on the plan assets	-	-	-	-
Fair value of plan assets at the end	988.55	-	1,058.98	-

g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions				
1 Discount rate	6.40%	6.40%	7.20%	7.20%
2 Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Demographic assumptions				
1 Expected average remaining working lives of employees (years)	23.26	23.19	23.47	23.41
2 Retirement Age (years)	58	58	58	58
3 Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Withdrawal Rate				
1 Ages up to 30 Years	20.00%	20.00%	20.00%	20.00%
2 Ages from 30-44	20.00%	20.00%	20.00%	20.00%
3 Above 44 years	20.00%	20.00%	20.00%	20.00%

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

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of obligation	1,300.49	354.21	1,212.65	336.61
Fair value of plan assets	988.55	-	1,058.98	-
Net (assets) / liability	311.94	354.21	153.67	336.61
Classification into long term and short term:				
- Classified as long term	-	197.54	-	191.96
- Classified as short term	311.94	156.66	153.67	129.12
Total	311.94	354.20	153.67	321.08

i) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
A. Discount rate				
Effect on defined benefit obligation due to 1% increase in Discount Rate	(57.13)	(7.43)	(49.10)	(7.32)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	60.29	7.90	53.54	8.21
B. Salary escalation rate				
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	54.66	7.57	49.53	7.92
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(51.32)	(7.25)	(46.60)	(7.60)
C. Mortality rate				
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-	-	-

j) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2020		As at March 31, 2019	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
1 year	234.48	156.66	230.83	133.57
2 to 5 years	598.80	146.86	565.12	152.17
More than 5 years	467.22	50.68	416.70	50.87

k) Enterprise best estimate of contribution during next year is ₹ 129.51 Lakhs (March 31, 2019: ₹ 186.53 Lakhs).

l) The change in assumption of withdrawal rate, retirement age and expected average remaining working lives of employees is not considered significant.

m) There is no change in the method used in the preparing the sensitive analysis from prior years

Note 36 : List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
a) Relan Industrial Finance Limited	Associate Company
a) Exhaust Technology Private Limited	Joint Venture Company
a) Mr. Kishan N Parikh (Chairman) b) Mrs. Sharda Relan (Co-chairperson) c) Mr. Ajay Relan (Managing Director) d) Mr. Rohit Relan (Director) e) Mr. Bireswar Mitra (Executive Director) (up to 02/09/2019) f) Mr. Ram Prakash Chowdhary (Director) (up to 31/03/2019) g) Mr. Ashok Kumar Bhattacharya (Director) h) Mr. Satindar Kumar Lambah (Director) i) Mr. Udayan Banerjee (Director) (from 13/02/2019) j) Mr. Vivek Bhatia (President & Group CFO) k) Mr. Nitin Vishnoi (Executive Director (ED) & Company Secretary) (ED w.e.f. 03/09/2019)	Key Managerial Personnel
a) Mrs. Mala Relan (Spouse of Managing Director) b) Mrs. Ritu Relan (Spouse of Director) c) Ms. Aashita Relan (Daughter of Managing Director) d) Mr. Aashim Relan (Son of Managing Director) e) Mr. Rishabh Relan (Son of Director) f) Mr. Pranav Relan (Son of Director) g) Mr. Ayush Relan (Son of Director) h) Mrs. Indira Chowdhry (Spouse of Director)	Relatives of Key Managerial Personnel
a) Sharda Enterprises b) N.D.Relan (HUF) c) Ajay Relan (HUF) d) Rohit Relan (HUF) e) Sharda Auto Solutions Private Limited f) A.N.I Hospitality LLP g) Progressive Engineering & Automation Private Limited h) Sharda CSR Foundation Trust i) Bharat Seats Limited@ j) N D R Auto Components Limited@ k) Toyo Sharda India Private Limited@ l) Toyota Boshoku Relan India Private Limited@	Enterprises over which Key Managerial Personnel are able to Exercise significant influence

Note : @ Pursuant to the effect of Scheme of Arrangement between Sharda Motor Industries Limited, ("Demerged Company") and The NDR Auto Components Limited ("Resulting Company") and their respective Shareholders ("Scheme") and Creditor as approved by The Hon'ble National Company Law Tribunal (NCLT) New Delhi, NDR Auto Components Limited (Wholly Owned Subsidiary Company) Bharat Seats Limited (associate Company), Toyota Boshoku Relan India Private Limited (Joint Venture and Toyo Sharda India Private Limited (Joint Venture), has ceased to be Wholly Owned Subsidiary Company associate Company and Joint Venture respectively.

(Rs. in Lakhs)

S. No.	Nature of Transactions	Joint Venture Companies	Wholly owned Subsidiary	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
i)	Sales during the Year						
	-Exhaust Technology Private Limited	539.63	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
	- Bharat Seats Limited	-	-	-	24.37	-	-
		(-)	(-)	(24,265.92)	(-)	(-)	(-)
ii)	Rent paid during the Year						
	-Sharda Enterprises	-	-	-	-	-	-
		(-)	(-)	(-)	(155.76)	(-)	(-)
iii)	Remuneration paid						
	- Ajay Relan	-	-	-	-	375.24	-
		(-)	(-)	(-)	(-)	(580.03)	(-)
	-Sharda Relan	-	-	-	-	386.55	-
		(-)	(-)	(-)	(-)	(488.33)	(-)
	-Bireswar Mitra	-	-	-	-	9.52	-
		(-)	(-)	(-)	(-)	(21.55)	(-)
	-Nitish Vishnoi	-	-	-	-	24.02	-
		(-)	(-)	(-)	(-)	(-)	(-)
iv)	Salary Paid						
	-Nitish Vishnoi	-	-	-	-	14.57	-
		(-)	(-)	(-)	(-)	(28.43)	-
	-Mala Relan	-	-	-	-	-	15.36
		(-)	(-)	(-)	(-)	-	(17.62)
	-Vivek Bhatia	-	-	-	-	145.10	-
		(-)	(-)	(-)	(-)	(110.43)	-
	-Aashim Relan	-	-	-	-	-	144.61
		(-)	(-)	(-)	(-)	-	(153.29)
v)	Reimbursement of Expenses						
	- Exhaust Technology Private Limited	28.37	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
	- NDR Auto Components Limited	-	-	-	584.72	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
	-Bireswar Mitra	-	-	-	-	3.60	-
		(-)	(-)	(-)	(-)	(4.66)	(-)
	-Nitish Vishnoi	-	-	-	-	2.92	-
		(-)	(-)	(-)	(-)	(9.20)	(-)

S. No.	Nature of Transactions	Joint Venture Companies	Wholly owned Subsidiary	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
	-Vivek Bhatia	- (-)	- (-)	- (-)	- (-)	7.19 (6.84)	- (-)
vi)	Dividend Paid						
	- Ajay Relan	- (-)	- (-)	- (-)	- (-)	- (120.01)	- (-)
	- Nitin Vishnoi	- (-)	- (-)	- (-)	- (-)	- (0.06)	- (-)
	- Bireswar Mitra	- (-)	- (-)	- (-)	- (-)	- (0.04)	- (-)
	-K.N. Parikh	- (-)	- (-)	- (-)	- (-)	- (0.01)	- (-)
	-Rohit Relan	- (-)	- (-)	- (-)	- (-)	- (26.80)	- (-)
	-Aashim Relan	- (-)	- (-)	- (-)	- (-)	- (-)	- (19.03)
	-Ayush Relan	- (-)	- (-)	- (-)	- (-)	- (-)	- (4.27)
	-Pranav Relan	- (-)	- (-)	- (-)	- (-)	- (-)	- (5.77)
	-Rishabh Relan	- (-)	- (-)	- (-)	- (-)	- (-)	- (7.59)
	-Mala Relan	- (-)	- (-)	- (-)	- (-)	- (-)	- (32.55)
	-Ritu Relan	- (-)	- (-)	- (-)	- (-)	- (-)	- (46.40)
	-Aashita Relan	- (-)	- (-)	- (-)	- (-)	- (-)	- (1.17)
	-Ajay Relan(HUF)	- (-)	- (-)	- (-)	- (1.20)	- (-)	- (-)
	-ND Relan (HUF)	- (-)	- (-)	- (-)	- (1.88)	- (-)	- (-)
	-Rohit Relan (HUF)	- (-)	- (-)	- (-)	- (2.78)	- (-)	- (-)
	-Relan Industrial Finance Limited	- (-)	- (-)	- (0.06)	- (-)	- (-)	- (-)
	-Indira Chowdhry	- (-)	- (-)	- (-)	- (-)	- (-)	- (3.28)
vii)	Sitting Fee Paid						
	-Kishan N Parikh	- (-)	- (-)	- (-)	- (-)	4.20 (4.40)	- (-)
	-Rohit Relan	- (-)	- (-)	- (-)	- (-)	0.40 (1.60)	- (-)
	-Ram Prakash Choudhary	- (-)	- (-)	- (-)	- (-)	- (2.80)	- (-)

S. No.	Nature of Transactions	Joint Venture Companies	Wholly owned Subsidiary	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
	-Ashok Kumar Bhattacharya	-	-	-	-	4.40	-
		(-)	(-)	(-)	(-)	(3.20)	(-)
	-Satinder Kumar Lambah	-	-	-	-	3.60	-
		(-)	(-)	(-)	(-)	(5.20)	(-)
	-Udayan Banerjee	-	-	-	-	5.20	-
		(-)	(-)	(-)	(-)	(1.00)	(-)
viii)	Sale of Fixed Assets						
	-Exhaust Technology Private Limited	108.33	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
	-Bharat Seats Limited	-	-	-	-	-	-
		(-)	(-)	(57.90)	(-)	(-)	(-)
ix)	Sale of Assets held for Sale						
	-Exhaust Technology Private Limited	652.89	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
x)	Expenses paid						
	- A.N.I Hospitality LLP	-	-	-	0.16	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
xi)	Advance Received from Customers						
	- Bharat Seats Limited (Tooling Advance)	-	-	-	-	-	-
		(-)	(-)	(28.40)	(-)	(-)	(-)
xii)	Purchases during the year						
	- Bharat Seats Limited	-	-	-	-	-	-
		(-)	(-)	(245.10)	(-)	(-)	(-)
	-Exhaust Technology Private Limited	82.23	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
	-Toyo Sharda India Private Limited	-	-	-	-	-	-
		(218.40)	(-)	(-)	(-)	(-)	(-)
xiii)	Advance Adjusted						
	-Bharat Seats Limited	-	-	-	-	-	-
		(-)	(-)	(28.40)	(-)	(-)	(-)
xiv)	Dividend Received						
	-Bharat Seats Limited	-	-	-	-	-	-
		(-)	(-)	(90.00)	(-)	(-)	(-)
	-Toyo Sharda India Private Limited	-	-	-	-	-	-
		(3.75)	(-)	(-)	(-)	(-)	(-)

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S. No.	Nature of Transactions	Joint Venture Companies	Wholly owned Subsidiary	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
		(8.62)	(-)	(-)	(-)	(-)	(-)
	- N D R Auto Components Limited	-	-	-	-	-	-
		(-)	(-)	(0.27)	(-)	(-)	(-)

1) Figures in bracket represents figures of 31st March, 2019.

2) All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

Note 37 : Leases

Lease related disclosures

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

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind-AS 116 are only applied after that date.

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.

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:

Particulars	31 March 2020
Short-term leases	18.50
Leases of low value assets	-
Variable lease payments	-

B Total cash outflow for leases for the year ended 31 March 2020 was Rs. 80.11 Lakhs

C The Company has total commitment for short-term leases of Rs. 9.10 Lakhs as at 31 March 2020.

D Maturity of lease liabilities

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

Maturity analysis – contractual undiscounted cash flows	As At March 31, 2020
Less than one year	80.11
One to five years	485.42
More than five years	1,929.91
Total undiscounted lease liabilities at March 31, 2020	2,495.44
Lease liabilities included in the statement of financial position at March 31, 2020	1,071.90
Current	57.17
Non-Current	1,014.73

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2020 is of Nil.

F Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Factory Building in Sanand	1	24 years	24 years	1	0	1
Factory Building in Chakan	1	10 years	10 years	1	0	1

G Impact on transition

- Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of Rs. 1,065.79 Lakhs and corresponding right of use asset of Rs. 1,065.79 Lakhs.
- For contracts in place as at 1 April 2019, Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.
- Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.
- On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.
- On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 8.25% per annum.
- The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	Amount
Lease commitments disclosed applying IND AS 17 as at March 31, 2019	661.06
Add/(less): lease transferred pursuant to demerger	(86.71)
Add/(less): adjustments on account of extension/termination	(60.00)
Add/(less): contracts reassessed as lease contracts	2,061.21
Lease commitments as at March 31, 2019 before discounting	2,575.56
Add/(less): accretion of interest	(1,509.77)
Lease liabilities recognised in the balance sheet as on April 01, 2019	1,065.79
Current lease liabilities	57.07
Non current lease liabilities	1,008.72

Right of use assets of ₹ 1065.79 Lakhs and lease liabilities of ₹ 1065.79 Lakhs have been recognised as on April 01, 2019.

Note 38: Financial and Derivative Instruments

Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date :	As At March 31, 2020		As At March 31, 2019	
Foreign Currency Exposure not hedged (Sell)	USD 14.03 lakhs	1,057.30	USD 11.24 lakhs	777.83
		1,057.30		777.83
Foreign Currency Exposure not hedged (Buy)	USD 34.28 lakhs	2,584.17	USD 40.55 lakhs	2,804.54
	EURO 0.08 lakhs	6.55	EURO 0.82 lakhs	64.00
	JPY 0.25 lakhs	0.18	JPY 0.25 lakhs	0.16
	GBP 0.13 lakhs	11.77		-
		2,602.67		2,868.70

Note 39 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.
2. Major Customer: Revenue from 2 customers of the Company's manufacturing & trading business are ₹ 60,108.63 lakhs (March 31, 2019 ₹ 84,935.68 lakhs) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2020 and March 31, 2019.

Note 40 : Financial instruments - fair values and risk management
40.1 Financial instruments by category and fair values

	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Non-current						
Investments in equity instrument *	-	-	3.45	-	-	1.75
- Security deposits	-	-	222.97	-	-	302.04
- Deposits with original maturity of more than 12 months	-	-	-	-	-	5.00
Current						
Investments in tax free bond & mutual fund	1,676.06	-	-	8,235.82	-	-
Trade receivables	-	-	11,705.33	-	-	13,211.46
Cash and cash equivalents	-	-	7,860.17	-	-	7,043.48
Bank balances other than above	-	-	6,770.51	-	-	7,070.79
- Staff advance	-	-	28.24	-	-	21.24
- Interest accrued on fixed deposits	-	-	214.79	-	-	153.34
- Interest accrued on others	-	-	6.07	-	-	4.96
- Receivable from related parties	-	-	250.54	-	-	8.62
Total	1,676.06	-	27,062.07	8,235.82	-	27,822.68
Financial liabilities						
Non-current						
Other financial liabilities						
- Security deposit	-	-	27.79	-	-	34.30
- Lease liabilities	-	-	1,014.73	-	-	-
Current						
Trade payables	-	-	20,651.65	-	-	19,116.77
Other financial liabilities						
Lease liabilities	-	-	57.17	-	-	-
- Payable to related party	-	-	241.23	-	-	-
- Unclaimed dividend	-	-	32.21	-	-	39.70
- Creditors for capital goods - other than micro and small enterprises	-	-	916.15	-	-	999.54
Total	-	-	22,940.94	-	-	20,190.31

* Investment value excludes investment in associates of ₹49 lakhs (March 31, 2019 : ₹ 139 lakhs), investment in joint ventures of ₹ 2500 lakhs (March 31, 2019 : ₹ 75.50 lakhs), and investment in Subsidiary of ₹ NIL (March 31, 2019 : ₹ 1 Lakh), which are shown at cost in balance sheet as per Ind AS 27 : Financial Statements.

Note: The directors consider that the carrying amounts of investments in equity shares of other and in trust, which have been recognised in the financial statements, as approximate their fair values.

Financial assets and liabilities measured at fair value - recurring fair value measurements (refer note 3.14)

	As At March 31, 2020	As At March 31, 2019
Financial assets		
Level 1	-	-
Level 2		
- Financial instruments at FVTPL: Options, cross currency and interest rate swap contract	-	-
- Financial instruments at FVTPL: Investments in tax free bond & mutual fund	1,676.06	8,235.82
Level 3		
- Financial instruments at FVTPL: Investment in other	-	-
Total financial assets	1,676.06	8,235.82

40.2 Measurement of fair value

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of options, cross currency and interest rate swap contract & investments in mutual funds.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are investments in unquoted equity instruments and other investment.

There have been no transfers between Level 1 and Level 2 during the period.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

(i) Investments in mutual funds: Fair value is determined by reference to quotes, i.e. net asset value (NAV) for investments in mutual funds as declared.

(ii) Unquoted equity and other investments: Fair value of same has not been derived as in the opinion of directors the carrying amounts of these investments approximate their fair values.

(iii) Fair value of cash and cash equivalents, trade receivables, other current financial assets, trade payables, other current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.

(iv) Interest rates on long-term borrowings are equivalent to the market rate of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

(v) Fair value of all other non-current financial assets have not been disclosed as the change from carrying amount is not significant, as the discount rate has not changed significantly.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

40.3 Capital management

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

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

	March 31, 2020	March 31, 2019
Total liabilities	25,762.17	24,636.40
Less: Cash and cash equivalents	7,860.17	7,043.48
Adjusted net debt	17,902.00	17,592.92
Total equity	36,457.26	47,462.60
Equity & net debt	54,359.26	65,055.52
Adjusted net debt to equity ratio	0.33	0.27

40.4 Financial risk management

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

- Market risk
- Credit risk
- Liquidity risk

Risk management framework:

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

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

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

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury department which has appropriate skills, experience and supervision. The policy provides that the Company should hedge through prescribed instruments to cover all possible risks of foreign currency outstanding after considering the natural hedge available and customer arrangements. It also prohibits any hedging for speculative transactions.

A. Market risk

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

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and functional currency of the Company, i.e. INR (₹). The currencies in which these transactions are primarily denominated are US dollar. The Company uses options, cross currency and interest rate swap contracts to hedge its currency risk on borrowings as per the approved policy of the Company. The Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate when necessary to address short term imbalances. However, the Company has not designated these derivatives as hedge relationship.

Exposure to currency risk:

(Amount in Lakhs except otherwise specified)

March 31, 2020	USD	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	14.03	-	-	-
Foreign currency exposure not hedged (Buy)	34.28	0.08	0.25	0.13
Derivative contract outstanding	-	-	-	-
March 31, 2019	USD	EURO	JPY	GBP
Foreign currency exposure not hedged (Sell)	11.24	-	-	-
Foreign currency exposure not hedged (Buy)	40.55	0.82	0.25	-
Derivative contract outstanding	-	-	-	-

Sensitivity analysis:

A reasonably possible strengthening (weakening) of USD against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

The company has arrangements with major customers on quarterly basis for settlement of exchange fluctuations based on average exchange rate for the previous quarter.

	(Profit) / Loss	
	Strengthening	Weakening
March 31, 2020		
USD (5% movement)	(129.21)	129.21
EUR (5% movement)	(0.33)	0.33
JPY (5% movement)	(0.01)	0.01
GBP (5% movement)	(0.59)	0.59
March 31, 2019		
USD (5% movement)	(140.23)	140.23
EUR (5% movement)	(3.20)	3.20
JPY (5% movement)	(0.01)	0.01

USD: US Dollar, EUR: Euro and JPY: Japan Yen, GBP : Great British Pound

B. Credit risk

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

i) Trade receivables

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

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

- Original equipment manufacturers (OEMs)

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

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

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

Particulars	Neither past due nor impaired	Upto 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2019	-	13,198.14	13.32	13,211.46
Trade Receivables as of March 31, 2020	-	11,670.01	35.32	11,705.33

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables, loans and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties.

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

However, Company need not required to provide for any risk allowance on account of trade receivable being bad and not recoverable as the amount of outstanding pertaining to trade receivables which exceeds the credit period allowed by the Company is less than 2% of the total outstanding from them.

ii) Financial assets

The Company's exposure to credit risk for financial assets is as follows:

	As at March 31, 2020	As at March 31, 2019
Investments	3,963.07	12,086.86
Security deposits	222.97	302.04
Deposit with original maturity of more than 12 months	-	5.00
Interest accrued	214.79	153.34
Staff Advance	28.24	21.24
Interest accrued others	6.07	4.96
Receivable from related parties	250.54	8.62
Total	4,685.68	12,582.06

C. Liquidity risk

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

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

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

As on March 31, 2019, Company doesn't have any outstanding borrowings.

Exposure to liquidity risk:

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

March 31, 2020

March 31, 2020	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Interest accrued	241.23	241.23	241.23	-	-
Creditors for capital goods	904.76	904.76	904.76	-	-
Trade payables	20,651.65	20,651.65	20,651.65	-	-
Unclaimed dividends	32.21	32.21	32.21	-	-
Security deposit	27.79	27.79	-	27.79	-
	21,857.64	21,857.64	21,829.85	27.79	

March 31, 2019

March 31, 2019	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Interest accrued	-	-	-	-	-
Creditors for capital goods	999.54	999.54	999.54	-	-
Trade payables	19,116.77	19,116.77	19,116.77	-	-
Unclaimed dividends	39.70	39.70	39.70	-	-
Security deposit	34.30	34.30	-	34.30	-
	20,190.31	20,190.31	20,156.01	34.30	

Note 41: In accordance of the terms of scheme of arrangement ("Scheme") under Section 230 to 232 of the Companies Act, 2013 read with section 66 of the Act, and other relevant provisions of the Act, as applicable from time to time, approved by Hon'ble National Company Law Tribunal ("Tribunal"), New Delhi Bench vide order dated February 20, 2020, the Automobile Seating Undertaking of Sharda Motor Industries Limited (hereinafter defined as "SMIL" or "Demerged Company") has been demerged and transferred to NDR Auto Components Limited (hereinafter defined as "NACL" or "Resulting Company") with effect from December 31, 2018 (appointed date), and upon the occurrence of the Effective Date.

- a) SMIL has transferred the assets and liabilities of the Automobile Seating Undertaking vested in it pursuant to this Scheme at the respective Book Values thereof. The difference between the book values of assets and liabilities transferred amounting to Rs. 13,119.19 Lakhs pursuant to scheme is appropriated and adjusted against retained earnings.
- b) The company's investment in equity shares of NDR Auto Components Ltd. has been written off to the extent of ₹1 Lakh and the effect has been considered in retained earnings.
- c) As a consideration for the transfer of automobile seating undertaking, NACL has issued 1 equity share of face value of Rs. 10 each at par to the shareholders of the demerged company (SMIL) for every one share of ₹ 10 held by the shareholders on the record date in the demerged company.
- d) The carrying value of assets and liabilities of Demerged Undertaking derecognised as at December 31, 2018 (appointed date) are as under :

S. No.	Particulars	As at December 31, 2018
I	Assets	
	Non Current Assets	
	a) Property, plant and equipment	3,988.26
	b) Capital work in progress	6.50
	c) Intangible assets	8.02
	d) Financial assets	
	i) Investments	165.50
	ii) Other Financial Assets	49.85
	Total non-current Assets	4,218.13
	Current Assets	
	a) Inventories	945.49
	b) Financial Assets	
	i) Investments	1,427.33
	ii) Trade Receivables	1,739.12
	iii) Cash and cash equivalents	1,246.11
	iv) Bank balances other than (iii) above	6,071.56
	v) Other financial assets	8.84
	c) Other current assets	10.32
	d) Asset classified as held for sale	0.08
	Total Current Assets	11,448.85
	Total Assets	15,666.98
II	Liabilities	
	Non-current liabilities	
	a) Provisions	14.73
	b) Other non-current liabilities	183.55
	Total Non-current liabilities	198.28
	Current Liabilities	
	a) Financial liabilities	
	i) Trade payables	
	· Total outstanding dues to micro and small enterprises	-
	· Total outstanding dues to parties other than micro and small enterprises	2,074.39
	ii) Other financial liabilities	1.38
	b) Other current liabilities	244.61
	c) Provisions	29.13
	Total Current liabilities	2,349.51
	Total Liabilities	2,547.79

- e) The financial Statements for year ended March 31, 2020 do not include financial results of Demerged Undertaking (discontinued operations) however, the comparative figures for the year ended March 31, 2019 includes financial results relatable to Demerged Undertaking. The detailed relatable information of discontinued operations for the year ended March 31, 2019 is as under :

Particulars	Year ended March 31, 2019
Income	
Revenue from operations including other income	20,209.58
Total Income	20,209.58
Expenses	
Cost of materials consumed including change in inventories	14,743.53
Employee benefits expense	662.17
Depreciation and amortization expense	675.24
Other expenses	2,944.23
Total expenses	19,025.17
Profit/(loss) before tax	1,184.41
Tax expenses	360.43
Net profit for the period	823.98

Note 42: Alignment of accounting policy for consolidation

In case of Toyo Sharda India Private Limited, the joint venture, depreciation on property, plant and equipment has been provided on straight line method as per the rates prescribed in Schedule II of the Companies Act, 2013 which is inconsistent with the written down value method of depreciation used in case of Parent. However it is impracticable to harmonise, therefore adjustment for the same has not been made in the consolidation financial statements.

In case of Bharat Seats Limited, an associate, inventory has been valued on weighted average method which is inconsistent with the first in first out method of valuation used in case of Parent. However it is impracticable to harmonise, therefore adjustment for the same has not been made in the consolidation financial statements.

Note 43 : Investments In Associates, Joint Ventures and Subsidiary

S. No.	Name of Company	Relationship	Ownership Interest	Country of Residence
1	Bharat Seats Limited	Associate	0.00% (28.66%)	India
2	Relan Industrial Finance Limited	Associate	47.12% (47.12%)	India
3	Toyota Boshoku Relan India Private Limited	Joint Venture	0.00% (50.00%)	India
4	Toyo Sharda India Private Limited	Joint Venture	0.00% (50.00%)	India
5	Exhaust Technology Private Limited	Joint Venture	50.00% (0.00%)	India
6	NDR Auto Components Limited	Subsidiary	0.00% (100.00%)	India

*Figure in bracket represent figures for the year ended 31st March, 2019.

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as /Associates/Joint Ventures.

Particulars	Net Assets (Total Assets less Total Liability)				Share in Profit & Loss			
	As at 31st March 2020		As at 31st March 2019		FY 2019-20		FY 2018-19	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Holding Company								
Sharda Motor Industries Limited	100.73%	36,722.70	92.33%	43,824.06	110.26%	5,765.83	91.76%	8,679.56
Associates								
Bharat Seats Limited	0.00%	-	6.41%	3,042.22	0.00%	-	6.54%	618.59
Relan Industrial Finance Limited	0.87%	317.69	0.57%	271.14	0.89%	46.55	0.64%	60.33
Joint Ventures								
Exhaust Technology Private Limited	-1.60%	(583.13)			-11.15%	(583.13)	0	-
Toyota Boshoku Relan India Private Limited	0.00%	-	0.00%	(0.14)	0.00%	-	0.00%	(0.24)
Toyo Sharda India Private Limited	0.00%	-	0.69%	325.32	0.00%	-	1.06%	100.24
Total	100.00%	36,457.26	100.00%	47,462.60	100.00%	5,229.25	100.00%	9,458.48

Note 44: In Financial Year 2018-2019, Automobile Seating business of Sharda Motor Industries Limited was demerged and transferred to NDR Auto Components Limited. In effect of the transfer of business as stated above, the consolidated figures for the year ended March 31, 2020 are not comparable with the corresponding consolidated figures for the year ended March 31, 2019.

Note 45: The outbreak of COVID-19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants and offices were shut post announcement of lockdown. Although the disruption from the virus is expected to be temporary and most of the operations have resumed, post lifting the lockdown. Further the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time.

Note 46: In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

Note 47: Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN : 20524578AAAABC3334

Place of Signature : New Delhi
Date : 29th June, 2020

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

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Vivek Bhatia)
President & Group CFO
M.No. 89846

(Ajay Relan)
Managing Director
DIN 00257584

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

(Aashim Relan)
Chief Executive Officer

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[illegible]

[illegible]

[illegible]



SHARDA MOTOR INDUSTRIES LIMITED

CIN: L74899DL1986PLC023202

Registered Office:

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