SMK HELMETS

STUDDS

OUR STORY.

HOW WE BUILT THE LARGEST HELMET MANUFACTURING COMPANY OF THE WORLD.

2017-18 Annual Report

Studds Accessories Limited Annual Report 2017-18

Contents

To get this report online or for any other investor information please log on to www.studds.com

Performance Highlights

Financial Capital

₹3364.44 mn

Standalone Revenue from Operations in 2017-18

3.16 x

Asset turnover Ratio for 2017-18

Human Capital

1722

Team size as on 31st March, 2018

Social Relationship Capital

₹6.2 mn

Amount spent on CSR for 2017-18

Intellectual Capital

SMK STUDDS

Our brands

45+

Number of Trademarks registered with regulatory authorities in India and abroad

35 yrs

Experience of top management with the Company

Manufacturing Capital

₹1312.73 mn

CAPEX as on 31st March 2018

84.13 %

Capacity utilisation of Helmet

88 %

Capacity utilisation of Two wheeler Luggage

OUR

Keeping lives safe is a purpose that has driven the story of many companies across the world – just like it has driven ours!

Belonging to an industry whose primary aim is to manufacture products that ensure the safety of the end consumer has made us strive for nothing short of excellence in terms of quality, innovation and adaptability. Our story is not just one of great performances, impressive numbers

STORY.

or a bright future, it's also of sheer resilience and commitment towards making a true difference in the lives of the people we create our products for, and the ones we create them with. It is a story of scaling great heights in a highly competitive industry, by doing what we do better than anyone else!

ABOUT STUDDS ACCESSORIES LTD.

We are the largest two-wheeler helmet manufacturer of the world* diligently serving our customers with safety, style and comfort.

With a market share of more than 25% in India, we have established ourselves as the largest organized player of the industry. Since our incorporation in 1983, we have witnessed a sustained growth in our business. What started as a small manufacturing set up is today 2 manufacturing facilities company spread across almost 6 acres in Faridabad, Haryana. We have developed an integrated set-up, where most of our activities from tooling, manufacturing and designing are in-house.

* In terms of total number of helmets sold in FY 2018 (source: F&S Industry report)

LARGEST
Manufacturer of Helmets in the world

UNIQUE
Our laboratory is the only one in the industry (in India) to be certified by European Safety Agency

SAFETY
We use one of the best technologies in the world to produce certified products

AUTOMATED
Most of our manufacturing processes are automated ensuring highest standards of quality

ZERO*
We have zero long-term debt in our books validating our financial discipline

A- STABLE
Credit Rating by CRISIL

* Other than vehicle loans as on March 31, 2018

OUR PRESENCE

Argentina
Austria
Bangladesh
Bhutan
Burkina faso
Cambodia
Chile
Croatia
Czech Republic
Costa Rica
Denmark
Dubai
El Salvador
France
Germany
Guatemala
Hungary
Israel
India
Italy
Kuwait
Netherlands
Nepal
Norway
Pakistan
Panama
Philippines
Poland
Portugal
Qatar
Romania
Rwanda
Senegal
Singapore
Spain
Srilanka
Tanzania
Turkey
Uganda
USA

Corporate office: Faridabad, India

Presence in India

OUR COMPETITIVENESS

Innovation

16

New product launches in last three years

More than 35 years of expertise has enabled us to gain a deep understanding of the requirements of our customers and helped us in creating innovative designs with a focus on quality and combining it with fit, comfort and sizing. With a blend of collaboration and technology, we have pioneered with several new products that have helped us gain customer confidence and helped us increase our market share.

Excellence

21

No. of quality / safety tests done in-house (per helmet as per ECE 22.05 standard)

The helmets manufactured by us under Studds and SMK brands combine both innovative designs along with strong focus on safety features and rigorous quality control. Our helmets undergo intensive testing at our in-house testing laboratory. We have created a database of results from the testing of our helmets. This has helped us to continuously improve the safety and design features of our helmets.

Adaptability

~7

Different sizes are available in helmets

Over the years, we have strengthened our market understanding to leverage our experience to make helmets for a diverse customer base. Our research team works to understand fit, size, comfort, and mix of fashion for the different consumer mindset across the country as well for exports.

Presence

Over **360**

Active dealer network across India as on 31st March, 2018

Our helmets are available in more than 30 countries* (Europe, North America, Asia, Latin America, Central America and Africa) across the globe and through 363 active dealers* in India. A growing market presence is largely attributed to our deep network presence through our dealers.

OUR PRODUCT PORTFOLIO

Our extensive product range (across helmets and motorcycle accessories) gives us an edge over our competitors. We manufacture products which are aesthetically different, functionally better, technologically new and high on comfort. Our dedicated R&D team researches to produce products that address a larger consumer mindset.

Helmet

Helmets across both our brands i.e. Studds and SMK cater to different segments of the Market in India. Studds covers the mass commuter market whereas SMK caters to the premium Segment. Helmets under both the Brands are also exported to various countries. Both Brands have significant Brand re-call in India and other parts of the world.

Different size of helmets

BIS Standard:
XS - 540 mm
S - 560 mm
M - 570 mm
L - 580 mm
XL - 600 mm

ECE Standards:
2XS - 520 mm
XS - 540 mm
S - 550 mm
M - 570 mm
L - 590 mm
XL - 610 mm
2XL - 620 mm
3XL - 640 mm
4XL - 650mm

Motorcycle Accessories

As a company we are adapting to evolve as a one-stop solution for two wheeler riders. As a step forward, we started manufacturing accessories including two-wheeler lifestyle accessories such as two-wheeler luggage, gloves, helmet security guards, rain suits and eye wear. Our products are manufactured using high quality material. We manufacture some of the best motorcycle luggages which are injection moulded in a combination of engineering plastics, fitted with six lever tamper proof locking system.

Different types of helmet

- Full-face helmet
- Flip-up full face helmets
- Flip-off full face helmets
- Open face helmets
- Sporting helmets
- Industrial helmets
- Off-road full face helmets

₹825 to ₹2165

Price range for two-wheeler helmets under brand Studds

25.66%

Market share of Studds in Indian market in FY 2018*

₹2300 to ₹9800

Price range for helmets under brand SMK

27.79%

Market share of SMK in premium two-wheeler helmet market in India in FY 2018*

Products range

90.08%

Adjusted revenue from sale of helmets as a percentage of total revenue

9.92%

Adjusted revenue from sale of accessories as a percentage of total revenue

Future Plans

The company plans to enter into manufacturing and selling bicycle helmets. These products would be destined for domestic and global market. Bicycle helmets have a larger market share in advanced Economies and as such we expect a bigger export market.

*(source: F&S Industry report dated August 2018)

CHAIRMAN'S MESSAGE

Dear Shareholders, Over three decades ago we started our journey as a small company involved in trading of helmets to emerge today as the largest helmet manufacturing company in the world. Over the years, excellence and ethos has been the foundation on which we have built our company. Our story is not about where we are today, but about the exciting tomorrow that beholds us.

20.36%

Adjusted Revenue* increase in 2017-18

16.84%

EBITDA margin in 2017-18

*Adjusted Revenue: Revenue from operations less excise duty

There are more than 150 million registered two-wheelers in India. In addition to this more than 2 million two wheelers will be hitting the road, every year, over the next few years. This summarises the potential for our company which according to us is poised for a good growth.

We are in the process for expanding our capacity of manufacturing and over the next two years would be doubling our capacities. Beyond this we would also be venturing into production of bicycle helmets in the near future.

As per the emerging trends, Studds is positioned to ride the industry growth. Currently, with a domestic market share of 25.66% in the two-wheeler helmet segment, we are the leading organized domestic player of the Indian helmet market. With implementation of Goods and Service Tax (GST) and increasing safety benchmarks set for helmets, we expect to further strengthen our market share and address the demand opportunity. We have helped transform the Indian helmet industry with products that consumers are proud to wear. We have evolved not to push products in a competitive market place but create a brand that triggers consumer pull.

Our integrated business model puts us ahead of competition. With most of operations being in-house, we have been able to ensure economies of scale and create value for our stakeholders. Our testing facility enables us to maintain our quality and safety levels which has been approved by VCA England. So while we did grow our product basket and consumer base, we established an unwavering trust of safety among the consumer mindset.

This trust is a result of a brand that we have created over the years. Consumers resonate our products with safety, quality and style at a competitive price.

Our cost advantage coupled with our strong supply chain helps us to deliver best products to our customers. We have a well-established network of dealers, who ensure product availability to consumers (through sub-dealers and retailers) across the country and globe.

In 2017-18, our actions helped us increase our adjusted revenue by 20.36% to ₹ 3277.26 million from ₹ 2722.71 million in 2016-17. We sold 5.16 million helmets and 0.4 million motorcycle luggage during the year. We recorded a high EBITDA margin of 16.84% during the year under review. This happened due to the increased operational efficiency in our process. Our inclusive growth philosophy further helped us record a PAT of ₹ 328.47 million in 2017-18 from ₹ 236.21 million last year.

On the operational front, we worked at a capacity utilization level of 84.13%, validating our efficient productivity. Further, we have drawn the blueprint for expansion with two additional manufacturing facilities that we expect to be commercialized by fiscal 2020. Our entry into bicycle helmet market will further widen our value proposition for a larger customer base. To leverage our brand value, we are looking at opening Exclusive Brand Outlets (EBOs) at various cities across India. This will give us exclusivity to showcase our products and increase value-proposition for our customers.

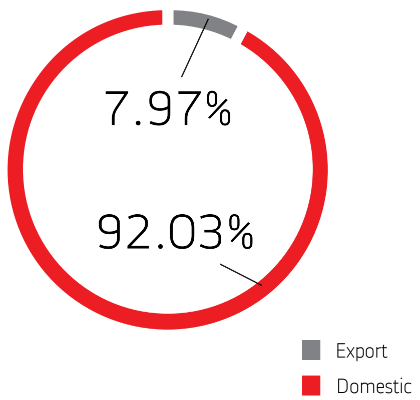
The global economy is on a growth path and Indian economy has already started its recovery post demonetization and GST with a 7.7% fourth quarter growth. The two-wheeler industry is experiencing a rise in demand backed by increase in production by major automotive players. With favourable tailwinds, we believe our journey has only begun.

At Studds, we remain focused on growing our profitability levels more than the topline. As this continues, we are optimistic to graduate up the value-creation chain. Our story would be incomplete without the contribution of our Board, employees and customers. We look forward to a great year ahead while moving forward in our growth path.

Madhu Bhushan Khurana
Chairman & Managing Director

In 2017-18, our actions helped us increase our adjusted revenue by 20.36% to ₹ 3277.26 million from ₹ 2722.71 million in 2016-17.

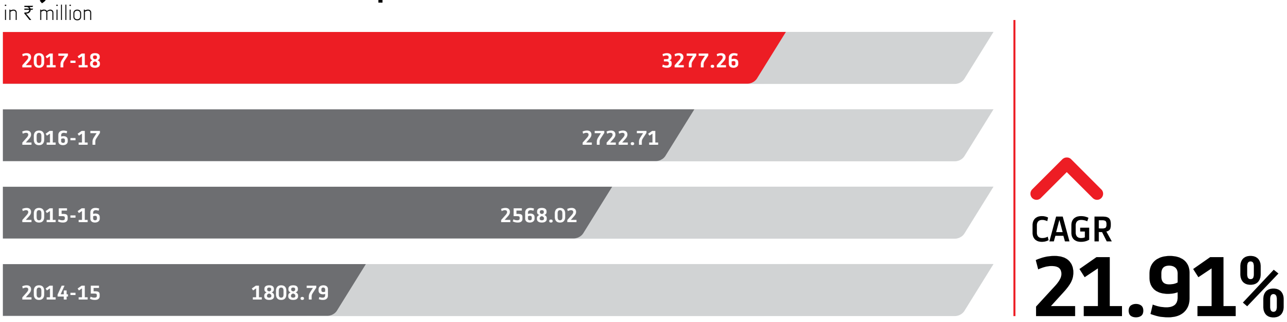
Revenue Mix, FY 2018



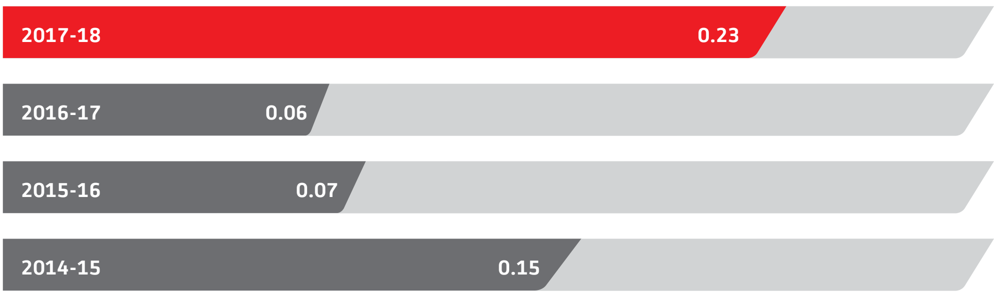
FINANCIAL PERFORMANCE

Adjusted Revenue from Operations

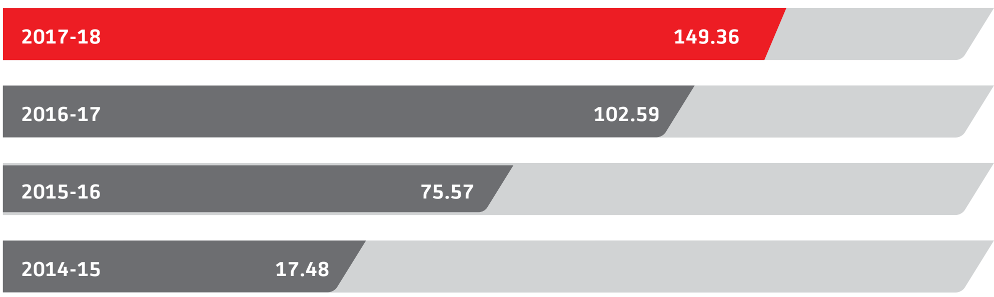
in ₹ million



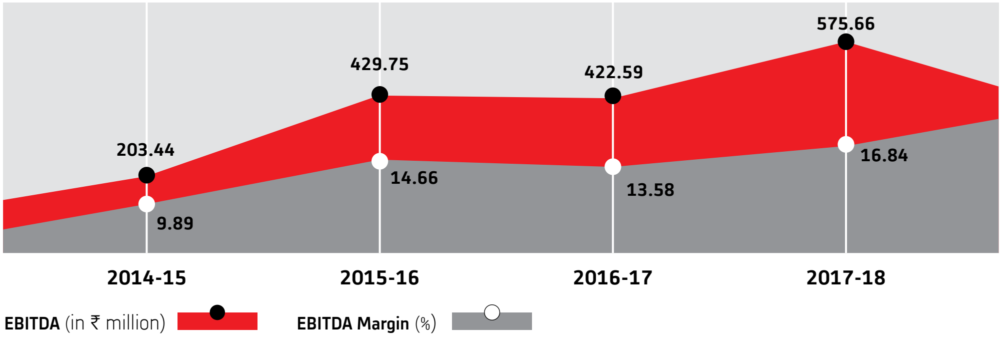
Debt-Equity Ratio



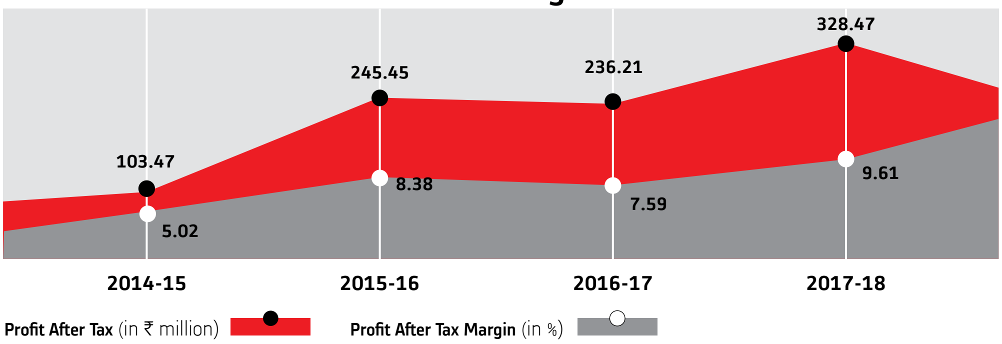
Interest Coverage Ratio



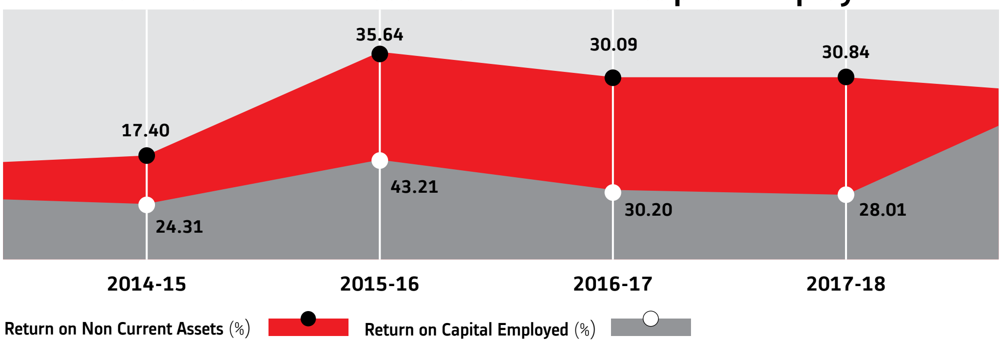
EBITDA & EBITDA Margin



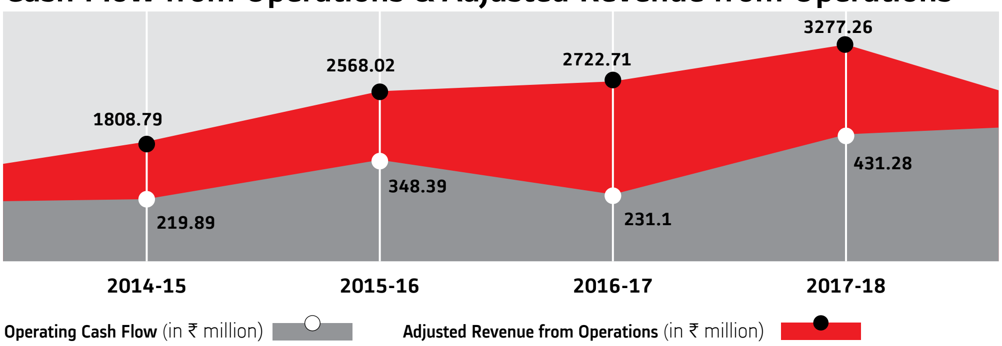
Profit After Tax & Profit After Tax Margin



Return on Non Current Assets & Return on Capital Employed



Cash Flow from Operations & Adjusted Revenue from Operations



THE RESEARCH EDGE: WORKING WITH OUR R&D

We have a dedicated in-house Research and Development (R&D) team consisting of 57 personnel that researches, ideates and prepares the design for our new products. We work also work with external designers based out of Europe. On the basis of the sketches drawn out by them we move ahead with our manufacturing process and deliver the end product. Research and Development plays a critical role to increase our value creation for the customer and provide them with innovative products.

15

Size of Design team

16

Number of new products launched in past 3 years

42

Team Size of Tooling and development team

Some of the new products that we launched

Stellar

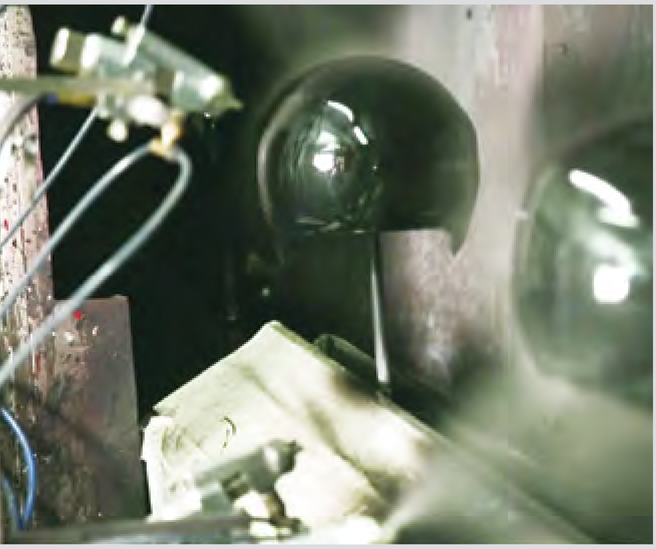
Ninja Elite

Eldorado

Thunder

MADE TO EXCEL:
OUR MANUFACTURING CAPABILITY

Being a company driven by quality, we have always invested towards setting up of the latest technologies at our manufacturing facilities. With a production capacity of 6.12 million helmets through 2 facilities in Faridabad, Haryana, we are the largest helmet manufacturing company in the world (in terms of number of helmets produced)



Production Capacity

6.12mn

For Helmets

0.49mn

For motorcycle luggage

14

Number of robots involved in manufacturing process

1478

Workers employed in plants as on 31st March,2018

Future Plans

We are planning to set up two new plants, one to increase our capacity, and another to manufacture bicycle helmets as we enter into this segment.

7.50mn

Expected increase in the capacity for manufacturing helmets and two-wheelers accessories

1690.9

Capital Expenditure required to set up the two plants (in ₹ million)

PUTTING LIVES FIRST: OUR SAFETY PROMISE

Customers often choose helmet based on comfort, style and fit. While we focus on these aspects as well, but for us safety always comes first. Our in-house testing facility helps us manufacture products that meet the most stringent safety standards. In line with our philosophy of keeping customer safety, our products are put through multiple tests that check various quality parameters. We are the only player in the industry to possess a highly extensive in-house testing laboratory that is certified by a European Agency for manufacturing.

21

Number of mechanical tests per helmet

9

Number of Optical Tests for helmet visors

<1%

Average defects in a year

6

Number of People working in the testing Laboratory

1447

Warranty Defects received on sale of approximately 51,69,030 helmets

Some of the tests includes:

- Markings
- Impact Absorptions
- Projection and Surface fiction
- Rigidity
- Dynamic test of Retention System
- Retention System Effectiveness
- Visor
- Micro Slip of Chin Strap
- Resistance of Abrasion of Chin Strap
- Quick Release Mechanism tests

Certifications we have acquired

IS 4151

From BIS, India

ECE 22.05

From VCA, England

DOT FMVSS 218

Self certification

IS 2925

From BIS, India

TEAM PRIDE:
INVESTING IN OUR PEOPLE

One of our most important differentiators and competitive advantages has been our team. To successfully achieve our long-term ambitions and provide long-term value to our customers, engaging our people has been a critical factor.

With talent management as our approach, we have focused on developing great leaders who drive our business performance and shape our culture. We are continuously investing towards developing their skills and providing them with training that helps them to further grow in their career.

Over the years, we have successfully developed a team of talented and experienced employees who give us the edge over our competitors. They help us to increase our efficiency and deliver nothing but the best to our customers.

115+

Growth in number of employees as compared to previous year

318.82

Amount spent on Employee Benefit Expenses in FY 2018 (₹ in million)

Future Plans

- To employ 2000 new employees in the next three years.

CORPORATE INFORMATION

Directors

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

Mr. Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Mr. Shanker Dev Choudhry
Independent Director
DIN: 07094705

Ms. Pallavi Saluja
Independent Director
DIN: 07006557

Mr. Pankaj Duhan
Independent Director
DIN: 08093989

Chief Financial Officer

Mr. Manish Mehta

Company Secretary

Kanika Bhutani

Bankers

HDFC Bank

Auditors

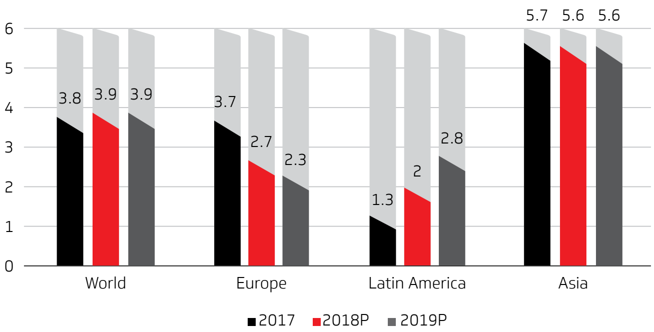
M/s Rajan Chhabra & Co.

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

Global Economy

The global economic upturn that began in the mid of 2016 has become stronger and broader. In 2017, the world growth strengthened at 3.8% as against that of 3.2% in 2016. This happened with a remarkable recovery in global trade, revival of investments in advanced economies, continued robust growth in emerging Asia, notable upsurge in emerging Europe, and recovery in several commodity exporters. World economy is expected to see a further uptick in growth rate to reach at 3.9% in 2018. This will be driven by strong momentum, improved market sentiments, accommodative financial conditions, and the domestic as well as international consequences of expansionary fiscal policy adopted by United States. (Source: IMF)

Real GDP growth (in%)



Source: IMF

Europe

Despite strong economic activity in late 2017, the growth momentum of Europe eased with moderate export growth and less accommodative policies. For commodity importers, strong demand from Euro Area will drive the growth. The various stimulus policies taken by European Central Bank (ECB) are expected to drive the Euro area towards improved financial conditions. In 2017, European economy grew at a rate of 3.7% and it is expected to fall at 2.7% in 2018. This will mainly happen with BREXIT nearing in 2019, and many Euro area countries like Italy witnessing a crisis situation. (Source: World Bank; BBC)

Latin America

During the year, Latin America experienced an upswing from a negative growth of 0.6% in 2016 to positive growth of 1.3% in 2017. This happened as recession ended in various countries such as Brazil, Argentina, and Ecuador. The key drivers attributable to this growth are consumption and exports. Investment in Latin America experienced a continuous growth and started being one of the important factors affecting the output. A significant reduction was seen in inflation in 2017, increasing the scope for easing of monetary policies. (Source: IMF)

Asia

The growth of Asian economy is mainly driven by fastest growing economies of the region, i.e., China and India. During the year, commodity exporters experienced growth owing to firming of commodity prices. Emerging Asia grew with increase in profits, revival of confidence, and strong demand. Asian economy growth is expected to decline from 5.7% in 2017 to 5.6% in 2018 mainly due to increasing debt levels in China, despite of a recovery in Indian economy and steady growth in other regions. (Source: ADB; UN)

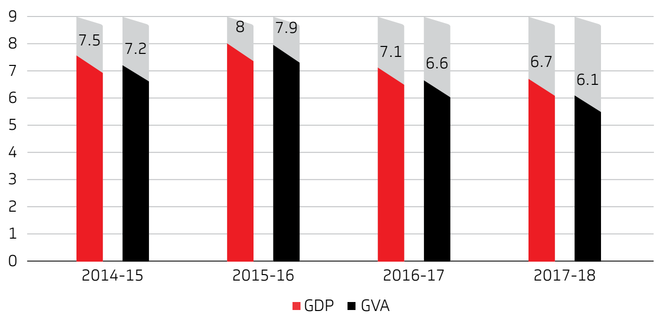
Indian Economy Overview

India remains one of the drivers of world growth, in an improving global economic environment. According to data released by the International Monetary Fund in April 2018, the world economy grew by 3.2% and 3.8% in 2016 and 2017, respectively. Despite a slowdown in the pace of growth, the Indian economy expanded by 7.1% and 6.7% in 2016 and 2017, respectively. This makes India one of the fastest growing large economies in the world, along with China.

India's growth rate is expected to increase due to strong private consumption, the diminishing effects of demonetization and the transition to GST. India's growth is also expected to rise gradually over the medium-term, with the continued implementation of structural reforms that increase productivity and incentivise private sector investments. A broad-based recovery has occurred over the last two quarters, led by the rural and urban segments for the reasons aforestated as well as due to near-normal monsoon conditions and staggered pay revisions.

With recovery in activities, India's real GDP growth rate is expected to average approximately 7.0 to 7.5% over the next five years. With inflation expected to remain around the medium-term target of 4.0%, India's nominal GDP is likely to grow at an annual average rate of 11.0 to 11.5% over the next five years. Annual average population growth is likely to remain steady at 1.3% over the next five years, in line with the trend in Fiscals 2013 to 2018, which was lower than the average growth of 1.6% recorded over 2001 to 2011. As a result, the per capita national disposable income is expected to rise by approximately 10% per year over the next five years

GDP and GVA growth rate (in%)



Source: Economic Survey 2017-18

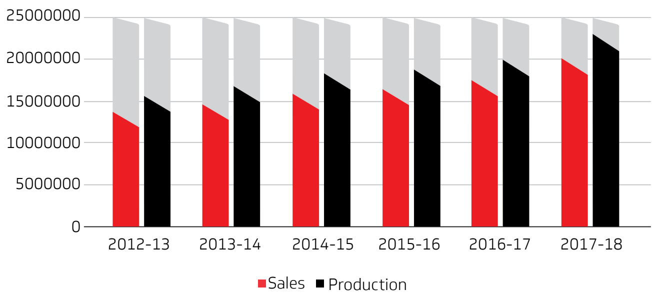
Two-Wheeler Industry in India

India is the largest two-wheeler market of the world. Two-wheelers are most popular vehicles in the Indian automobile industry. With a market share of around 81% two-wheeler sector is a leader in Indian automobile industry. In India, there are 11 motorcycle manufacturing companies and 7 scooter manufacturing companies. (Source: IBEF; Financial Express)

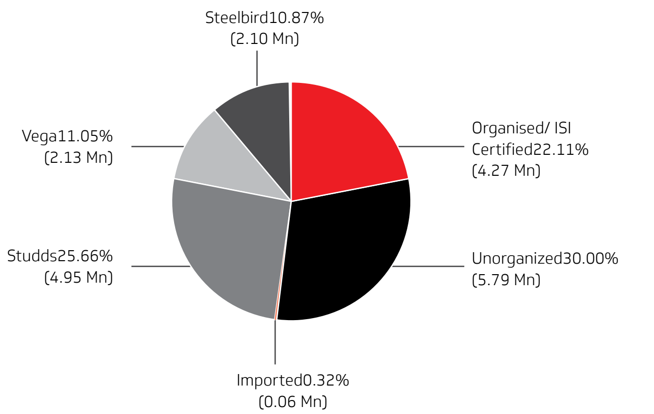
Production of two-wheelers in India increased by 16.08% from 1,99,39,739 units in 2016-17 to 2,31,47,057 units in 2017-18. During the year, sales of two-wheelers increased by 14.80% to reach at 2,01,92,672 units , out of which motorcycles accounted for sales of 1.26 crore units and sales of scooters stood at 67.19 lakh units. Export of two-wheelers also witnessed an increase from 23.40 lakh units in 2016-17 to 28.15 lakh units in 2017-18.

With continuous increase in total production the installed capacity of two-wheelers increased from 26.14 million units in 2015-16 to 27.56 million units in 2016-17. During the year, scooters experienced a growth of 19.90% and motorcycles experienced a growth of 13.69%. (Source: SIAM; Financial express)

Sale and Production Trends Two-Wheelers



FY'18 Volume: 19,320,049 (19.32 Mn Units)
FY'18 Value (E): ₹ 1,395 Cr.



Source: Frost & Sullivan Analysis, Organized/ ISI Certified excludes Studds, Vega, Steelbird

Figures in bracket are total volume sold by respective categories.

Industry Outlook

The two-wheeler industry of India is expected to grow at a faster rate than before. The industry is experiencing a growth in number of riders, both male riders as well as female riders. Growth in two-wheeler sector will be led by an increase in disposable income. With low interest rates and inflation under control the growth in two-wheelers sector is expected to be consumption led for FY19. A growth is expected to be seen in premium motorcycle segment and scooters in FY19. (Source: SIAM report 2017-18, financial express)

Helmet Industry Overview

A growth in two-wheelers helmet market is supported mainly by an increase in the sales of two-wheelers. There is also a very large replacement market for helmets in India as the consumer changes his or her helmet after 3 to 5 years of use. However, expensive helmets are replaced after 6 to 7 years of usage. This period is high for premium helmets because of ample spare availability such as removable inner linings, visors, etc. The premium helmets segment is one of the fastest growing helmet segments of the country.

In India, the importance of helmet is marked by a continuous increase in the number of two-wheeler accidents. In recent years, there has been a huge increase in the number of two-wheeler accidents, and 4.8% of people wearing helmets sustained critical injuries as compared to 23.7% of those who were not wearing helmets. Thus, in India helmets act as one of the most important safety tool. Globally 1.4 million fatalities can be avoided by wearing proper safety helmets. (Source: Hindustan Times, PGIMER; Economic Times, UN)

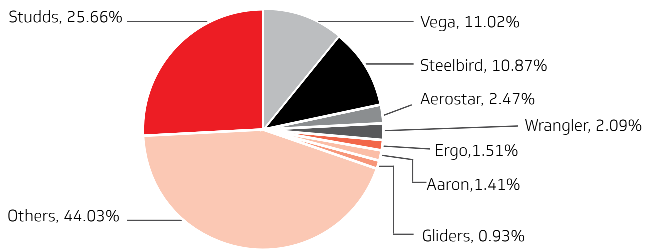
India is one of the largest manufacturers for two-wheeler helmets in the world. The country has a total manufacturing capacity of 35 million for two-wheeler helmets. In last 5 years, the two-wheeler helmet industry has grown by a CAGR of 10%. This happened as government took various steps for ensuring safety of two-wheeler users by wearing a helmet.

In India, around 50% of the helmet industry is under unorganized sector. With GST and demonetization, a shift is expected to be seen from unorganized sector to organized sector. The helmet industry is expected to grow at a CAGR of 17% till 2022. This will happen as two-wheeler riders become more aware about safety and as technological advancement takes place in the helmet industry. Increase in sales of two-wheelers will also boost the demand for helmets in India. (Source: Frost & Sullivan Report; Techschi research)

Product Type under helmet industry

- Full Face
- Half Face
- Open Face Modular
- Open Face Motocross

FY'18 Domestic: 19,320,049 (19.32 Mn Units)



Source: Frost & Sullivan Analysis, Figures mentioned in bracket are total volumes sold by respective players; Studds volume includes SMK brand sales

Government Initiative for Helmet industry of India

- Mandatory use of Helmets - In India, increasing number of two-wheeler accidents have compelled the government to make use of helmets compulsory by both rider and pillion. For instance, in 2017, various state governments made it mandatory for wearing helmets while refilling fuel. (Source: Times of India, The news India express)
- Mandatory Approvals - To make helmets safer for the riders, and reduce the number of road fatalities, the government has planned to make it compulsory to have BIS certification. Currently, 50% of helmets used by riders are without ISI marks. The BIS certified helmets will weigh at least 300 grams less than the existing ones.

Company Overview

We are the largest manufacturer of two-wheeler helmets in the world in terms of volume of two-wheeler helmets sold in Fiscal 2018 (Source: F&S Report). Our flagship brand Studds, the largest selling two-wheeler helmet brand in India in terms of volume of two-wheeler helmets sold in India in Fiscal 2018 (Source: F&S Report), is marketed and sold in 21 countries as of June 30, 2018. We launched our premium helmet brand 'SMK' in 2016, which has emerged as the leading brand with the largest market share in the premium two-wheeler helmet segment in India in terms of volume of premium two-wheeler helmets sold in Fiscal 2018 (Source: F&S Report). We are currently the only manufacturer of premium two-wheeler helmets in India (Source: F&S Report) and our SMK brand of two-wheeler helmets is marketed in 23 countries in Europe, Asia and Latin America as of June 30, 2018. Our range of products also include two-wheeler lifestyle accessories such as two-wheeler luggage, gloves, helmet security guards, rain suits and eye wear. We believe that our focus on style, design, quality as well as safety, makes us a lifestyle choice for our customers, and positions Studds and SMK as aspirational brands.

Over the years, we have strategically expanded our product portfolio under our two brands, Studds and SMK, each positioned to target specific segments of the helmet and two-wheeler lifestyle accessory market, so as to compliment with one another. We believe that our experience of over 35 years, has enabled us to gain a deep understanding of the requirements of our customers and helped us in creating innovative designs with a focus on quality and combining it with fit, comfort and sizing. We have developed our own brands by leveraging our understanding and knowledge of the aspirational needs and fashion consciousness of our customers.

Distribution

We have over our three decades of operations developed a widespread dealer network in India and globally that has enabled us to serve customers in over 31 countries as of June 30, 2018. As of June 30, 2018, we had tie-ups with 363 active dealers in India, and had sold our products through importers across Europe, North America, Asia, Latin America, Central America and Africa for our export operations. We believe that our well-developed sales and dealer network in India and globally is our key strength and distinguishes us from competition in a market where the lack of well-developed dealer network can create natural entry barriers. Many of our dealers have had long-standing relationships with us, which we believe is a result of our consistent focus on ensuring quality of our products and quick resolution of complaints and warranty claims.

We believe that our ability to cater to large orders and adhering to stringent standards of quality sensitive markets, such as the United States and Europe, have helped us in establishing significant brand presence across certain key international markets and enabled us to develop strong relationships with our overseas importers. Our Company has been granted major safety certifications such as BIS certifications IS: 4151 (for motorcycle helmets) and IS: 2925 (for industrial helmets), ECE 22.05 and SLSI certifications, required for exporting our products to international markets. We believe that our brand portfolio enables us to cater to the requirements of our target customers across price points including premium, mid-range and economy segments. For instance, the Studds brand is targeted at the mass market commuter segment in certain countries in Asia, Latin America, Central America and Africa. Whereas, the SMK brand is targeted at the premium segment in certain countries in Asia and Latin America and the mid-range segment in Europe. We also manufacture helmets for Jay Squared LLC D.B.A. Daytona Helmets Int. which are sold under the brand name Daytona in the United States.

Experienced Management Team

The company has a team of top management who have extensive knowledge in motorcycle lifestyle product industry along with an experience of 35 years in the industry. This gives us an edge over our competitors as the management strives to accomplish our long-term goal and vision by effective implementation of growth strategies. The management has enabled the company to expand our business by introduction of new brands, expanding the footprint of our brand in India and internationally, and increase its domestic sales and exports.

Outlook

Going forward, the company will enter into new product segment, i.e., bicycle helmets. It is planning to set up two new plants, one, for expansion of the current line of motorcycle helmet and accessories in the coming years, and the other for production of bicycle helmets. The company aims to double its manufacturing capacity to 13.5 million helmets and motorcycle accessories (12 million motorcycle helmets & accessories and 1.5 million bicycle helmets) in the coming years. With various expansion strategies for the coming years, the company plans to increase its team size to 3000 employees. A competent and efficient R&D team will help the company to design and sell quality products to its customers.

Risk Factors

Brand Risk

The sales of our products will suffer if we are unable to maintain and/ or enhance the 'Studds' and 'SMK' brands and that would have a material adverse effect on our business.

Regulatory Risk

Non-compliance with and changes in, safety, health, labour and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition. In the event that we fail to obtain, maintain or renew our statutory or regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.

Customer Preference Risk

Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner may result in the decline of the demand for our products, which may have an adverse impact on our business, results of operations and prospects.

Raw Material Risk

In the event we are unable to procure adequate amounts of raw material, at competitive prices, our business, results of operations and financial condition may be adversely affected. Further, we do not generally enter into agreements with the suppliers and accordingly may face disruptions in supply from the current suppliers.

Economy Risk

Exports constitute a significant part of the company's revenue. A decline in exports arising out of geopolitical tensions might affect revenues of the company. The company's presence in different geographies helps it to reduce the economy risk as a decrease in exports to one country might be balanced by an increase in exports to another country.

Quality Risk

Any failure in our quality control processes, whether in India or outside India, may have an adverse effect on our business, results of operations and financial condition. We may have to recall our products or face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.

DIRECTOR'S REPORT

To,

The Members,
STUDDS ACCESSORIES LTD.

Your Directors are pleased to present the 36th (Thirty Sixth) Director's Report on the business and operation of the company together with the Audited Financial Statements for the financial year ended on 31st March, 2018 ("Reporting Period").

1. Financial Results

The results of your Company's financial prudence and business excellence for the year ended 31st March, 2018 are as follows: -

Particulars	STANDALONE	(Amt. in Million)
	As at 31-Mar-2018	As at 31-Mar-2017
Revenue from Operations	3364.44	3091.25
Other Income	53.45	20.08
Total Income	**3417.89**	**3111.33**
Less Excise Duty	87.18	368.54
Total Income (Net of Excise Duty)	**3330.71**	**2742.79**
Profit before Finance Cost, Depreciation and Amortization Expenses	575.66	422.59
Finance Cost	3.47	3.61
Profit before Depreciation	572.19	418.98
Depreciation	57.39	52.23
Profit Before tax	514.80	366.75
Tax Expenses		
Current tax	172.12	113.07
Deferred Tax	13.43	17.54
Tax Related to Earlier Periods	0.44	0.13
Profit after tax	328.81	236.01
Transfer to General Reserve and Surplus	40.00	30.00
Face Value* per Equity Share (in ₹) (Please refer Note No. 32 of Standalone Financial Statements for the financial year ended on 31st March 2018)	5/-	5/-
Earnings Per Share (in ₹)		
Basic EPS (in ₹)	16.71	11.99
Diluted EPS (in ₹)	16.71	11.99

* The shareholders at their meeting held on July 07, 2018 has approved split of equity share of ₹10/- each into two equity shares of ₹5/- each. Further, the shareholders in the same meeting have approved the issue of eight bonus equity shares for each share held in the company.

2. Company's Performance

You Company is performing well and the Board of Directors of the Company are continuously looking for future avenues of growth.

Growth in performance of the company on standalone basis for the year under review is given below:

Particulars	(Amt. in Million)	
	As at 31-Mar-2018	As at 31-Mar-2017
Sales (Adjusted Revenue)	3277.26	2722.71
EBITA	575.66	422.59
Profit for the year	328.81	236.01

3. Dividend

Your Board of Directors are pleased to recommend a dividend of ₹ 0.50 per share @10% on the paid up share capital of the company. The Final Dividend, subject to the approval of the Members at the forthcoming Annual General Meeting, will be paid to the Members whose names appear in the Register of Members/ Register of Beneficial owners as on the record date i.e. 28 September 2018. Previous year the Shareholders of the Company had declared a final dividend for financial year 2016-17 of ₹ 9 per share @ 90% on the paid up Share Capital of the company.

4. Material Changes and Commitments

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

The shareholders at their meeting held on July 07, 2018 has approved split of equity share of ₹10/- each into two equity shares of ₹5/- each. And, the shareholders in the same meeting have approved the issue of eight bonus equity shares for each share held in the company.

5. Change in the Nature of Business

There is no change in the Nature of Business of the Company.

6. Public Deposits

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

7. Share Capital

During the year under review, the Company has increased its authorized Share Capital from INR 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 (Fifty lakh) Equity Shares of ₹ 10 (Rupee Ten) each to INR 25,00,00,000/- (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Crore Fifty Lakh) Equity Shares of ₹ 10 (Rupee Ten) each with the approval of its shareholders dated 22.03.2018.

Further, during the year under review the Company has not issued any share and it's paid up share capital still remains the same, i.e. INR 1,09,31,500/- (Rupees One Crore Nine Lacs Thirty One Thousands and Five Hundred Only) comprising of equity 10,93,150 (Ten Lacs Ninety Three Thousand One Hundred and Fifty) shares of ₹ 10 (Rupee Ten) /- each.

8. Subsidiaries, Joint Ventures or Associate Companies

Your Company had one subsidiary i.e. M/s M G Steel Limited, CIN U74999DL1986PLC025140, during the financial year and which ceased to be subsidiary w.e.f. 08.03.2018.

So pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries is given in Form AOC-1 which is attached with the financial statements of the company for the financial year 2017-18 and is also attached as Annexure I to this report.

9. Consolidated Financial Statements

This Annual Report also includes Consolidated Financial Statements for the year 2017-18. But the subsidiary has ceased to be the Subsidiary of the Company w.e.f. 08.03.2018.

10. Significant and Material Orders Passed by the Regulators or Courts or Tribunals

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

However, the Company has received a Notice in Case No. CS/03/2018, from Hon'ble Commercial Court, Gurugram, which pertains to the right of title with respect to 26,200 equity shares issued by our company. In relation to this case the Company has given an undertaking that it would not transfer the shares to any person without the leave of the Court or until the matter is disposed off. So the Equity Shares under the case were earlier in abeyance. Further the Honourable commercial court at Gurugram, Haryana has disposed Civil Suit No. CS/03/2018 on May 7, 2018. Hence the restriction on transfer of your shares is not applicable any further.

11. Directors and Key Managerial Personnel (KMP)

During the period under review, following Directors of the Company have resigned:

Name of Director	Dare of Resignation
Ms. Chand Khurana	23.01.2018
Ms. Charu Leekha	23.01.2018
Mr. Sanjay Leekha	23.01.2018
Ms. Garima Khurana	23.01.2018

Mrs. Chand Khurana, Mrs. Charu Leekha, Mr. Sanjay Leekha and Mrs. Garima Khurana resigned from the Board due to personal reasons.

The company has appointed Mrs. Kanika Bhutani, Company Secretary and Compliance Officer of the Company as Key Managerial Personnel w.e.f. 01.02.2018.

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

Mr. Pankaj Duhan appointed by Board as an Additional Director in capacity of Independent Director in its meeting held on 09.04.2018 subject to Approval of Shareholders at this Annual General Meeting (AGM).

Mr. Madhu Bhushan Khurana, Chairman and Managing Director, Mr. Sidhartha Bhushan Khurana, Managing Director and Mrs. Chand Khurana, Erstwhile Whole-Time Director have not received any commission/ remuneration from the Subsidiary Company during the Financial Year.

Mr. Madhu Bhushan Khurana, Chairman and Managing Director and Mr. Sidhartha Bhushan Khurana, Managing

Director are related to each other in accordance with section 2 (77) of the Companies Act, 2013 read Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014.

Directors and KMP as on the date 31.03.2018 on the Board of the Company are:

Name of Director/KMP	Designation	Date of Appointment
Mr. Madhu Bhushan Khurana	Executive Director, Chairman and Managing Director	03.02.1983
Mr. Sidhartha Bhushan Khurana	Executive Director, Managing Director	28.08.1998
Ms. Pallavi Saluja	Non- Executive Independent Director	02.03.2015
Mr. Shanker Dev Choudhry	Non- Executive Independent Director	02.03.2015
Ms. Kanika Bhutani	Company Secretary and Compliance Officer	01.02.2018

12. Statement on Independence of Directors

All independent directors have given declarations that they meet the eligible criteria of independence as provided in sub-section (6) of section 149 of the Companies Act, 2013.

As required under applicable provisions of Secretarial Standards-I issued by the Institute of Company Secretaries of India, the required details of Directors appointed/ reappointed in the Annual General Meeting (AGM) of the Company is annexed with the Notice of this AGM.

13. Auditors

i) Statutory Auditor

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

During the Year under Review M/s. A.C. Mehta & Co. Chartered Accountants (FRN: 013373N), have tendered their resignation as Statutory Auditors primarily due to their preoccupation in other Assignments and they have expressed unwillingness to continue as statutory Auditors w.e.f 23.01.2018, which has resulted into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Casual vacancy caused by the resignation of auditors was filled by appointing M/s. Rajan Chhabra & Co, Chartered Accountants (FRN.009520N) as the Statutory Auditors of the Company in the EGM dated 26.04.2018 till the conclusion of the 36th AGM of the Company. The Board of Director recommended Re-appointment of statutory Auditors of the Company at this AGM for the F.Y. 2018-19 to F.Y. 2022-23.

Further, no fraud was reported by the auditors of the Company.

ii) Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed M/s Sanjay Grover & Associates, Company Secretaries, Delhi as Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company for financial year 2017-18. The Report of Secretarial Auditor (Form MR-3) for the Financial Year is annexed to the report as Annexure III.

The Secretarial Audit Report for the financial year ended March 31, 2018 contains certain reservation and remarks which are given along with the management reply for the same:

1. The Company was required to register the charges, in respect of the vehicle term loans availed by the Company amounting to ₹ 25,85,200/-, ₹ 65,75,000/- and ₹ 50,00,000/-, with Registrar of Companies as required under Section 77 of the Act.

   Management's Comment: The Company is in the process of registration of such charges as as required under Section 77 of the Act and filed the requisite forms for condonation of delay in registration such charges.

2. Under the provisions of Section 124(6) of the Act read with of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the company was required to transfer certain Shares on which dividend was not claimed for seven consecutive years to Investor Education and Protection Fund.

   Management's Comment: The Company is in the process of transferring such Shares on which dividend was not claimed for seven consecutive years to Investor Education and Protection Fund. The company has filed compounding application for condonation of such delay.

iii) Internal Auditor

Pursuant to section 138 of Companies Act, 2013, the Company had appointed M/s A.C. Mehta & Co. Chartered Accountants as Internal Auditors for the financial year 2017-18.

14. Director's Responsibility Statement

The Company has taken utmost care in its operations, compliance, transparency, financial disclosures and financial statements have been made to give a true and fair view of Company. As required under Section 134(5) and Section 134(3), and based upon the detailed representation, due diligence and inquiry thereof and your Board of Directors assures and confirm as under:

a) In preparation of Annual Accounts for the financial year ended on 31st March, 2018 the Applicable Accounting Standards have been followed and there are no material departures from the same;

b) The selected accounting policies were applied consistently and the Directors made judgments and estimate that are reasonable and prudent so as to give a true and fair view of Company as at 31st March, 2018 and the profit of the Company for that periods;

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for the safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts have been prepared on 'going concern basis';

e) The internal financial controls have been laid down by the company and such financial controls were adequate and operating effectively and;

f) Proper systems have been devised in compliance with the provision of the all applicable laws and such systems were adequate and operating effectively.

In continuation of above statements it is also confirmed that the Ministry of Corporate Affairs (MCA) on 16th February, 2015, notified that Indian Accounting Standards (Ind AS) were made applicable in a phased Manner. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The company has opted to adopt Ind AS w.e.f 1st April 2017.

15. Disclosure on Internal Financial Control and Its Adequacy

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

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

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

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

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

16. Number of Meetings of the Board of Directors

S. No.	No. of Meeting	Date of Meeting
1	1 / 2017-18	25.05.2017
2	2 / 2017-18	15.06.2017
3	3 / 2017-18	27.06.2017
4	4 / 2017-18	01.08.2017
5	5 / 2017-18	10.08.2017
6	6 / 2017-18	24.08.2017
7	7 / 2017-18	11.09.2017
8	8 / 2017-18	15.12.2017
9	9 / 2017-18	21.12.2017
10	10 / 2017-18	23.01.2018
11	11 / 2017-18	09.02.2018
12	12 / 2017-18	08.03.2018

The maximum gap between any two meetings was not more than one hundred and twenty days. Independent Director's also had their separate meeting.

In respect of these meetings proper notices were given and the proceedings were properly recorded and placed in the minute's book maintained for their purpose.

17. Committees of the Board

The Board of Directors has the following Committees:

1. Audit Committee

2. Nomination and Remuneration Committee

3. CSR Committee

4. Share Transfer Committee

The details of the Committees along with their composition, number of meetings, terms of reference and attendance of members at the meetings are as under:

1. Audit Committee

The Company has an adequately qualified Audit Committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013. The composition of Committee and terms of reference are in compliance with the provisions of Section 177 of the Companies Act, 2013. All members of the Committee are financially literate and have accounting or related financial management expertise.

Terms and Reference

The terms of reference of the Audit Committee inter-alia includes the following:

Powers of Audit Committee

a) To investigate any activity within its terms of reference;

b) To seek information from any employee;

c) To obtain outside legal or other professional advice and

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Key responsibilities of Audit Committee:

Primarily, the Audit Committee is responsible for:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters
9. And such other matter as assigned by Board from time to time.

During the year under review, Audit Committee comprised of Mr. Shanker Dev Choudhry, Chairperson and Ms. Pallavi Saluja, Mr. Sanjay Leekha, Mr. Sidhartha Bhushan Khurana, member of the Committee. After her appointment, Mrs. Kanika Bhutani, Company Secretary and Compliance Officer of the Company, was the Secretary to the Committee.

During the year Committee Member met 4 (Four) time i.e on May 25, 2017; August 24, 2017; January 23, 2018; February 09, 2018.

The particulars of meetings and attendance by the Members of the Committee during the year under review are given in the table below:

S. No.	Name of Chairperson/ Members	Designation	Number of Meetings held	Numbers of Meetings Attended
1	Mr. Shanker Dev Choudhry	Chairperson	4	3
2	Ms. Pallavi Saluja	Member	4	4
3	Mr. Sanjay Leekha*	Member	3	3
4	Mr. Sidhartha Bhushan Khurana**	Member	1	1

*Ceased to become the Member w.e.f. 23rd January, 2018 due to resignation

**Inducted as Member w.e.f. 23rd January, 2018

Further, during the year review, the board has accepted all the recommendations of the Audit Committee.

2. **Nomination and Remuneration Committee**

The Company has a duly constituted Nomination and Remuneration Committee. The composition of committee and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee has been entrusted with the following roles and responsibilities:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board Diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy in its Annual Report.

During the Period under review Nomination and Remuneration Committee comprised of Ms. Pallavi Saluja, Chairperson, Mr. Shanker Dev Choudhary, Ms. Charu Leekha, Mr. Madhu Bhushan Khurana.

During the Year Committee met 4 (Four) times i.e May 10, 2017, August 24, 2017, January 23, 2018, March 08, 2018.

The particulars of meetings and attendance by the Members of the Committee during the year under review are given in the table below:

S. No.	Name of Chairperson/ Members	Designation	Number of Meetings held	Numbers of Meetings Attended
1	Ms. Pallavi Saluja,	Chairperson	4	4
2	Mr. Shanker Dev Choudhry	Member	4	3
3	Ms. Charu Leekha*	Member	2	2
4	Mr. Madhu Bhushan Khurana**	Member	2	2

*Ceased to become the Member w.e.f. 23rd January, 2018 due to resignation
**Inducted as Member w.e.f. 23rd January, 2018

3. **Corporate Social Responsibility Committee**

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

During the year under review CSR Committee comprised of Mr. Madhu Bhushan Khurana, Chairperson and Mr. Sidhartha Bhushan Khurana, Mr. Shanker Dev Choudhry, Mr. Sanjay Leekha, member of the Committee.

During the year Committee Member Met 2 (Two) Times i.e August, 24, 2017, March 31, 2018.

The particulars of meetings and attendance by the Members of the Committee during the year under review are given in the table below:

S. No.	Name of Chairperson/ Members	Designation	Number of Meetings held	Numbers of Meetings Attended
1	Mr. Madhu Bhushan Khurana,	Chairperson	2	2
2	Mr. Sidhartha Bhushan Khurana	Member	2	2
3	Mr. Shanker Dev Choudhry	Member	2	1
4	Mr. Sanjay Leekha*	Member	1	1

*Ceased to become the Member w.e.f. 23rd January, 2018 due to resignation

4. **Share Transfer Committee***

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

During the Year under review, Share Transfer Committee comprised of Mr. Madhu Bhushan Khurana, Chairperson and Mr. Sidharth Bhushan Khurana, Ms. Chand Khurana, Mr. Shanker Dev Choudhry***, member of the Committee.

During the year under review, Share Transfer Committee met 29 (Twenty Nine) times i.e April 08, 2017, April 10, 2017, April 25, 2017, May 08, 2017, May 29, 2017, May 30, 2017, June 08, 2017, June 12, 2017, June 16, 2017, June 26, 2017, July 10, 2017, July 18, 2017, July 20, 2017, August 02, 2017, August 23, 2017, September 22, 2017, September 27, 2017, November 02, 2017, November 17, 2017, December 07, 2017,December 14, 2017, December 26, 2017, January 06, 2018, January 08,2018, January 11, 2018, January 16, 2018, January 24, 2018, February 09, 2018, March 08, 2018.

The particulars of meetings and attendance by the Members of the Committee during the year under review are given in the table below:

S. No.	Name of Chairperson/ Members	Designation	Number of Meetings held	Numbers of Meetings Attended
1	Mr. Madhu Bhushan Khurana	Chairperson	29	29
2	Ms. Chand Khurana**	Member	26	26
3	Mr. Sidhartha Bhushan Khurana	Member	29	29
4	Mr. Shanker Dev Choudhry***	Member	03	00

Note: *Company had dissolved its Share Transfer Committee and constituted Stakeholder Relationship Committee on 08th June, 2018

**Ceased to be a Member w.e.f. 23rd January, 2018 due to resignation.

***Inducted as a Member w.e.f. 23rd January, 2018

18. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

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

19. Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013 and Rules made there under, the Company has made the necessary contribution and has undertaken various initiatives through Public Charitable Trust – Studds Foundation for Corporate Social Responsibility (CSR) and the CSR policy formulated by the Company is available at the Website of the Company at **http://studds.com/Content/images/CSRActivity/CSR_Policy.pdf** and brief of the same is disclosed in Board Report.

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

20. Listing of Shares

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

21. Risk Management Policy

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

22. Disclosures

Extract of Annual Return

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the annual return in Form No. MGT–9 will be displayed on the Company's website i.e www.studds.com.

Particulars of Loans, Guarantees or Investments

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

Nomination and Remuneration Policy

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

Vigil Mechanism/ Whistle Blower Policy

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

Disclosure under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013

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

No complaints pertaining to sexual harassment were received and/ or disposed off during financial year. Further, there is no pending complaint(s) pertaining to sexual harassment.

Report on the Highlights of Performance of Subsidiaries, Associates and Joint Venture Companies pursuant to Section 134(3)(q) read with Rule 8(1) of Companies (Account) Rules, 2014.

During the period under review the Company had a Subsidiary which ceased to be a Subsidiary as on 08 March, 2018. For highlights of performance of the same refer AOC- 1 attached to the Financial Statement

Compliance of Secretarial Standrads

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

Disclosure on Remuneration to Employees Exceeding Specified Limits

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

23. Conservation of Energy, Technology Absorption, Foreign Exchange Earning and outgo

Even though operations of the Company are not energy intensive, the management has been highly conscious of the importance of conservation of energy and technology absorption at all operational levels and efforts are made in this direction on a continuous basis.

- The company is constantly striving to reduce energy consumption in Injection moulding process by re-furbishing gear pump Hydraulic machines to servo Hydraulic machines. Even the new machines which have been procured are and would be servo Hydraulic machines.
- In its endeavour to reduce energy consumption the Company is migrating to LED Lights instead of conventional lights.
- The Company has automated a number of process like injection moulding, cutting shells etc. by employing Robots in the process.

Foreign Exchange Earnings and outgo

Earning – ₹26,15,15,497

Outgo – ₹8,73,04,410

Acknowledgement

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

For and on behalf of the Board
Studds Accessories Limited

Mr. Madhu Bhushan Khurana
(Chairman and Managing Director)
DIN: 00172770
Address:1349, Sector-14, Faridabad-121007, Haryana

Mr. Sidhartha Bhushan Khurana
(Managing Director)
DIN: 00172788
Address:1349, Sector-14, Faridabad-121007, Haryana

Dated: 18th August,2018
Place: Faridabad

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken.

Brief of CSR Policy

1. Promotion of Education, including special education and employment enhancing vocation skills, especially amongst children, women, elderly and differently abled and livelihood enhancement projects.
2. Ensuring environmental sustainability, conversation of natural resources and maintaining quality of soil, air and water etc.

2. Composition of CSR committee as on 31st March, 2018

During the year under review, the Corporate Social Responsibility Committee comprised of the following Director as members:

1.	Sh. Madhu Bhushan Khurana	Chairman, Executive Director
2.	Sh. Sidhartha Bhushan Khurana	Member, Executive Director
3.	Sh. Shanker Dev Choudhary	Member, Independent Director

3. Average Net Profit of the Company for last three financial years

Average Net Profits – ₹ 30,70,22,806/-

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

CSR Expenditure –₹ 61,40,456/-

5. Details of CSR spent during the financial year:

a) **Total amount spent for the financial year: ₹ 62,00,000/-**

Under the Corporate Social Responsibility the company has undertaken various initiatives through Public Charitable Trust – Studds Foundation to operate the Corporate Social Responsibility activities of the Company. Amount of ₹ 62,00,000/- has been transferred by Studds Accessories Ltd. to Studds Foundation during the year.

b) **Amount unspent if any: Nil**

c) **Manner in which the amount spent during the financial year is detailed below:**

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programes 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (in ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent: Direct or through implementing agency
1	Educational and Health Care Program	Promoting Education and Health care	Local Area	-	62,00,000	62,00,000	Implementing Agency Studds Foundation

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

Place : Faridabad
Date : 18th August,2018

MADHU BHUSHAN KHURANA
Chairman of CSR Committee
DIN : 00172770

For and on behalf of the Board
Studds Accessories Limited

Mr. Madhu Bhushan Khurana
(Chairman and Managing Director)
DIN: 00172770
Address:1349, Sector-14, Faridabad-121007, Haryana

Mr. Sidhartha Bhushan Khurana
(Managing Director)
DIN: 00172788
Address:1349, Sector-14, Faridabad-121007, Haryana

Dated:18th August,2018
Place: Faridabad

Annexure I

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 or associate companies or joint venture

Part- A Subsidiaries

(In ₹)

1. Name of the Subsidiary Company	M G Steel Limited
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting Period is 1st April, 2017 to 8th March, 2018
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	No Foreign Subsidiary Company.
4. Share capital	7,85,000
5. Reserves and surplus	42,29,775
6. Total assets	75,17,021
7. Total Liabilities	75,17,021
8. Investments	Nil
9. Turnover	19,59,552
10. Profit before taxation	21,13,572
11. Provision for taxation	NIL
12. Profit after taxation	15,49,384
13. Proposed Dividend	NIL
14. Extent of shareholding (in percentage)	99.24 %

Notes:

1. Investment in subsidiary, MG Steel Limited has been sold by the company on 8th March 2018 and MG Steel Limited ceases to be our subsidiary post 8th March 2018.
2. Neither it had Associates nor Joint Ventures during the financial year 2017-18 so Part B is not applicable on the Company.

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

Place: Faridabad
Date: 8th June, 2018

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Kanika Bhutani
Company Secretary

Annexure II

Form AOC-2

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

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

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

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**Note:** As all transaction entered on arm's length price so this part is not applicable on the Company.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of Material contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Details as given in Note No. 36 to the Standalone Financial Statements forming part of the report.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

Explanation: A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten) of the annual consolidated turnover of the company as per the last audited financial statements.

For and on behalf of the Board
Studds Accessories Limited

Mr. Madhu Bhushan Khurana
Chairman and Managing Director
DIN: 00172770
Address:1349, Sector-14, Faridabad-121007, Haryana

Mr. Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788
Address:1349, Sector-14, Faridabad-121007, Haryana

Dated:18th August,2018
Place: Faridabad

Annexure III

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

To,

The Members
Studds Accessories Ltd.
(CIN: U25208HR1983PLC015135)
23/7, Mathura Road, Ballabgarh,
Faridabad, Haryana- 121004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Studds Accessories Ltd.** ((hereinafter called the Company), which is an unlisted 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.

We report that-

a) 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.

b) 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 the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report 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.

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 31st March, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March, 2018 according to the provisions of:

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

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

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

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied with.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above except that:-

- The Company was required to register the charges, in respect of the vehicle term loans availed by the Company amounting to ₹ 25,85,200/-, ₹ 65,75,000/- and ₹ 50,00,000/-, with Registrar of Companies as required under Section 77 of the Act.

- Under the provisions of Section 124(6) of the Act read with of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the company was required to transfer certain Shares on which dividend was not been paid or claimed for seven consecutive years to Investor Education and Protection Fund.

  We further report that the Company voluntarily provided exit opportunities to the Identified Shareholders whose number was more than fifty, who were allotted the equity shares by the Board of the directors of the company on 01st December, 1995 and 20th March, 1996. The Securities and Exchange Board of India ("SEBI") has issued circular(s) vide Circular no. CIR/CFD/DIL3/18/2015 dated December 31, 2015 whereby providing of such exit opportunity was allowed.

(vi) The Company is engaged in the business of manufacturing and marketing in India and abroad all types of Helmet, gadgets and accessories, spare parts and component for Two Wheelers and automobiles made of Plastic, Fibre-glass, PVC and such other materials. As informed by the Management, there is no sector specific law applicable to the Company.

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

We further report that the Board of Directors of the Company is 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 audit period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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

We further report that during the audit period, following resolutions were passed by the Shareholders of the Company:

a) through postal ballot (result declared on 29th May, 2017) by passing special resolution for adoption of the new set of Articles of Association of the Company.

b) through postal ballot (result declared on 22nd March, 2018) by passing:

- ordinary resolution for increasing the authorized share capital of the Company from ₹ 5,00,00,000/- (Rupees Five Crore only) consisting of 50,00,000 (Fifty Lacs) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 25,00,00,000/- (Rupees Twenty Five Crore only) consisting of 2,50,00,000 (Two Crore and fifty Lacs) Equity Shares of ₹ 10/- (Rupees Ten) each and substituted the Clause V i.e. Capital Clause of Memorandum of Association of the Company accordingly.

- special resolution for adoption of the new set of Articles of Association of the Company.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Devesh Kumar Vasisht
Partner
CP No.: 13700

New Delhi
18th August, 2018

Annexure IV

Infomation Pursuant to Section 197 of The Companies Act, 2013 and Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 Forming Part of the Board's Report for the year ended 31st March, 2018

Employed throughout the year ended 31st March, 2018 & were in receipt of Remuneration aggregating not less than ₹102,00,000 per annum

S. No.	Name	Designation	Remuneration (₹ in Million)	Qualification	Experience	Date of Joining	Age Years	Previous Employment	percentage of Shareholding in the Company
1	Madhu Bhushan Khurana	Chairman & Managing Director	15.05	Bachelors Degree In Aeronautical Engneering	35 years	03.02.1993	69	-	55.31
2	Sidhartha Bhushan Khurana	Managing Director	15.15	Bachelors Degree In Aeronautical Engneering	19 years	28.08.1998	41	-	14.30

1. Remuneration includes salary, commission, provident fund and perqusites, directors fee if any
2. No other employee have received a remuneration ₹ 8,50,000 per month in part of the year of ₹ 102,00,000 per annum

For and on behalf of the Board
Studds Accessories Limited

Mr. Madhu Bhushan Khurana
(Chairman and Managing Director)
DIN: 00172770
Address:1349, Sector-14, Faridabad-121007, Haryana

Mr. Sidhartha Bhushan Khurana
(Managing Director)
DIN: 00172788
Address:1349, Sector-14, Faridabad-121007, Haryana

Dated:18th August,2018
Place: Faridabad

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of **Studds Accessories Limited**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Studds Accessories Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including Other Comprehensive Income), the cash flow statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS Financial statements").

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, aforesaid standalone Ind AS financial statements give the information required by 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 31 March 2018 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

c. The balance sheet, the statement of profit and loss including other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of accounts;

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act ;

e. On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and

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

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

(a) The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Additional Notes to the financial statements 37(iii) Contingent Liability;

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

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

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

CA Rajan Chhabra
Partner
M.No: 088276

Faridabad
8th June,2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

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

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

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

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

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

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

(iii) The Company has not granted loans secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not provided any loans, investment, guarantees and security with respect to the provisions of section 185 and 186 of companies act 2013.

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

(vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the services rendered by the Company.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable except petty demand of Income tax amounting to ₹52531.

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

Name of statute	Name of the disputed dues	Amount (₹In Lacs)	Period to which the amount relates	Forum where dispute are pending
Income-Tax Act 1961	Income Tax	10.89	2009-10 & 2014-15	Income Tax Authorities
Haryana Value Added Tax,2003	Sales Tax	434.50	2014-15	Taxation Authority, Faridabad (East)

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

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

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

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

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

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

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

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

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

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

CA Rajan Chhabra
Partner
M.NO:088276

Faridabad
8th June,2018

ANNEXURE-B

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

We have audited the internal financial controls over financial reporting of Studds Accessories Limited ("the Company") as of 31 March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(CA Rajan Chhabra)
(Partner)
M. No. : 088276

Date:8th June,2018

ANNEXURE-I STANDALONE STATEMENT OF ASSETS AND LIABILITIES

As at 31 March, 2018

(₹ in million)

Particulars	Note No.	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-16
ASSETS				
Non-Current Assets				
Property Plant & Equipment	3	1,246.82	803.44	744.64
Capital Work in Progress		61.49	6.53	0.06
Intangible Assets	4	4.42	4.41	4.22
Financial Assets				
- Non-Current Investments	5	0.03	3.25	3.24
Total Non-Current Assets		**1,312.76**	**817.63**	**752.16**
Current Assets				
Inventories	6	126.71	109.90	78.25
Financial Assets				
- Trade Receivables	7	121.85	39.68	84.36
- Cash & Cash Equivalents	8	171.44	100.84	82.20
- Other Bank Balances	9	468.60	316.34	205.94
- Other Financial Assets	10	8.22	8.26	8.06
Other Current Assets	11	18.74	24.35	23.31
Total Current Assets		**915.57**	**599.36**	**482.12**
Total Assets		**2,228.33**	**1,416.99**	**1,234.28**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	12	10.93	10.93	10.93
Other Equity	13	1,175.95	859.32	624.42
Total Equity		**1,186.88**	**870.25**	**635.35**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
- Non-Current Borrowings	14	3.51	24.75	24.30
- Other Non-Current Financial Liabilities	15	262.23	14.37	13.00
Non-Current Provisions	16	11.10	9.84	8.28
Deferred Tax Liability (Net)	17	96.22	82.79	65.25
Total Non-Current Liabilities		**373.06**	**131.75**	**110.83**
Current Liabilities				
Financial Liabilities				
- Current Borrowings	18	-	-	-
- Trade Payables	19	344.21	254.18	281.21
- Other Current Financial Liabilities	20	221.43	114.65	103.80
Other Current Liabilities	21	47.60	27.35	30.38
Current Provisions	22	7.08	7.05	5.97
Current Tax Liabilities (Net)	23	48.06	11.76	66.74
Total Current Liabilities		**668.39**	**414.99**	**488.10**
Total Liabilities		**1,041.44**	**546.74**	**598.93**
Total Equity and Liabilities		**2,228.33**	**1,416.99**	**1,234.28**
Significant Accounting Policies	Note 2 of Annexure V			

The above statement should be read together with significant accounting policies in Annexure V, adjustments to audited standalone financial statements in Annexure VI and notes to the Standalone financial statements in Annexure V.

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Place: Faridabad
Date: 8th June, 2018

Kanika Bhutani
Company Secretary

ANNEXURE-II STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2018

(₹ in million)

Particulars	Note No.	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Income			
Revenue from Operations	24	3,364.44	3,091.25
Other Income	25	53.45	20.08
Total Revenue		**3,417.89**	**3,111.33**
Expenses			
Cost of Material Consumed	26	1,528.56	1,258.11
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	27	6.38	(19.63)
Excise Duty on sale of goods		87.18	368.54
Employee Benefit Expense	28	318.82	271.17
Finance Cost	29	3.47	3.61
Depreciation and Amortisation Expense	30	57.39	52.23
Other Expenses	31	901.29	810.54
Total		**2,903.09**	**2,744.59**
Profit before Tax		**514.80**	**366.75**
Tax Expense:			
Current Tax		172.12	113.07
Deferred Tax		13.43	17.54
Tax relating to earlier periods		0.44	0.13
Total Tax Expense		**185.99**	**130.73**
Profit for the year		**328.81**	**236.01**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(0.52)	0.31
Income tax effect		0.18	(0.11)
Total other comprehensive income		**(0.34)**	**0.20**
Total Comprehensive Income for the year		**328.47**	**236.21**
Earnings per share (face value ₹5/-)	32		
- Basic EPS (in ₹)		16.71	11.99
- Diluted EPS (in ₹)		16.71	11.99
Significant Accounting Policies	Note 2 of Annexure V		

The above statement should be read together with significant accounting policies in Annexure V, adjustments to audited standalone financial statements in Annexure VI and notes to the Standalone financial statements in Annexure V.

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

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DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Place: Faridabad
Date: 8th June, 2018

Kanika Bhutani
Company Secretary

ANNEXURE-III STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March, 2018

(i) Equity Share Capital

(₹ in million)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-16
Equity share of ₹10/- each			
Balance at the beginning of the year	**10.93**	10.93	10.93
Movement during the year	-	-	-
Balance at the end of the year	**10.93**	**10.93**	**10.93**

(ii) Other Equity

(₹ in million)

Particulars	Reserves and surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at April 01, 2016	6.83	93.37	524.23	624.42
Profit for the year	-	-	236.01	236.01
Other Comprehensive Income (net of tax)	-	-	0.20	0.20
Transfer to General Reserve	-	30.00	(30.00)	-
Dividend & Dividend Distribution Tax	-	-	(1.32)	(1.32)
As at March 31, 2017	**6.83**	**123.37**	**729.13**	**859.32**
As at April 01, 2017	6.83	123.37	729.13	859.32
Profit for the year	-	-	328.81	328.81
Other Comprehensive Income (net of tax)	-	-	(0.34)	(0.34)
Transfer to General Reserve	-	40.00	(40.00)	-
Dividend & Dividend Distribution Tax	-	-	(11.84)	(11.84)
	-			
As at March 31, 2018	**6.83**	**163.37**	**1,005.76**	**1,175.95**

The above statement should be read together with significant accounting policies in Annexure V, adjustments to audited standalone financial statements in Annexure VI and notes to the Standalone financial statements in Annexure V.

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

Place: Faridabad
Date: 8th June, 2018

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Kanika Bhutani
Company Secretary

ANNEXURE-IV STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March, 2018

(₹ in million)

Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
A Cash Flow from Operating Activities		
Profit before Tax	514.80	366.75
Adjustments for:		
Depreciation and Amortisation Expense	57.39	52.23
(Gain)/Loss in change in fair value of financial instruments	0.04	(0.01)
Finance Cost	3.47	3.61
Rent Income	(0.26)	(0.24)
Interest Income	(28.15)	(18.06)
Profit on Sale of Investments	(23.30)	-
Loss on sale of Property, Plant and Equipment	0.15	1.73
Other Income	(1.74)	(1.77)
Operating Profit before working Capital changes	**522.39**	**404.26**
Working capital adjustments:		
Movement in trade & other payables	138.29	(16.80)
Movement in trade & other receivables	(76.51)	43.43
Movement in inventories	(16.81)	(31.65)
Cash Generated from Operations	**567.36**	**399.24**
Direct Taxes Paid and Taxes earlier years	(136.08)	(168.16)
Net Cash Flow from Operating Activities (A)	**431.28**	**231.08**
B Cash Flow from Investing Activities		
Purchases of Property, Plant and Equipment (PPE)	(228.92)	(120.73)
Sale proceeds from sale of PPE	0.14	1.29
Sale proceeds from sale of Investments	26.49	-
(Investment) In Fixed Deposits/Maturity	(152.27)	(110.40)
Rent Received	0.26	0.24
Interest Received	28.15	18.06
Other Income Received	1.74	1.77
Net Cash Flow from Investing Activities (B)	**(324.41)**	**(209.76)**
C Cash Flow from Financing Activities		
Proceeds/(Repayment) from Non-Current Borrowings (Net)	(21.10)	2.18
Proceeds/(Repayment) from Current Borrowings (Net)	-	-
Dividend Including Dividend Distribution Tax	(11.69)	(1.27)
Interest Paid	(3.47)	(3.61)
Net Cash Flow from Financing Activities (C)	**(36.26)**	**(2.70)**
Net increase in Cash and Cash Equivalents (A+B+C)	**70.60**	**18.62**
Cash and Cash Equivalent at the beginning of the year	100.84	82.22
Cash and Cash Equivalent at the end of the year	**171.44**	**100.84**

ANNEXURE-IV STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March, 2018

Amendments to Ind AS 7

The amendments to Ind AS 7 Cash Flow Statements requires to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities,including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and the closing baalnces in the balance sheet for liabilities arising from financing activities.to meet the disclosure requirement. the amendment become effective from April 01,2017 and the required disclosure is amde below. There is no impact on the financial statements due to this amendment.

(₹ in million)

Particulars	As at 31 -Mar-17	Cash Flows	Non-cash changes	As at 31 -Mar-18
Borrowings-Non Current	28.75	(21.10)	-	7.65
Borrowings- Current	-	-	-	-

The above statement should be read together with significant accounting policies in Annexure V, adjustments to audited standalone financial statements in Annexure VI and notes to the Standalone financial statements in Annexure V.

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

(ii) During the year the Company spent ₹6.20 million on CSR Expenses in accordance with the provision of the Companies Act, 2013

(iii) Cash and Cash Equivalents includes Bank Balances and Cash in hand as per Note No. 8

(iv) Figures in bracket represents cash outflow

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

Place: Faridabad
Date: 8th June, 2018

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Kanika Bhutani
Company Secretary

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

1. Corporate Information

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

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

2. Significant Accounting Policies

(a) Statement of Compliance

The Standalone Statement of Assets and Liabilities of the Company as at March 31, 2018, March 31, 2017 and the Standalone Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash flows for the year ended March 31, 2018 and for the year ended March 31, 2017and Other Standalone Financial Information (together referred as 'Standalone Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The Financial Information (including Standalone Ind AS financial information for the years ended March 31, 2018 and March 31, 2017) have been compiled by the Company under Ind AS.

For all periods up to and including the year ended March 31, 2017, the Company prepared its audited standalone financial information in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The standalone financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. The date of transition to Ind AS is April 01, 2016.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Shareholders' equity as at March 31, 2017 and 1st April 2016 and of the Statement of Profit and loss and other comprehensive Income for the year ended March 31, 2017, 1st April 2016. Reconciliation of the same is disclosed in Annexure-VI.

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

(b) Current versus non-current classification

The Company presents assets and liabilities in the standalone statement of assets and liabilities based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(c) 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 amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone financial information and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

(d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sales tax/ value added tax (VAT)/Goods & Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of Goods

Revenue from sales of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and cash discount.

Income from Services

Income from services is recognized by reference to the stage of completion of the transaction at the end of the reporting period.

Dividends and Interest Income

Dividend income from investments is recognized 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 from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

For all Financial instruments measured either at amortized or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss. Interest income in respect of financial instruments measured at fair value through profit or loss is included in other income.

(e) Foreign Currency

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

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

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

(f) Property, Plant and Equipment

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

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

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property plant and equipment recognised as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

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

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

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

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

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

(g) Intangible Assets

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

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

Nature of Assets	Estimated Useful Life
Computer software	5 years
Trademarks	Over the useful life of underlying assets

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

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

(h) Borrowing Costs

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

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

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

(i) Inventories

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

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

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

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

Scrap is valued at net realizable value.

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

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

(j) Provisions and Contingencies

Provisions

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

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

Contingent Liabilities

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

Contingent Assets

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

(k) Employee Benefits

Short-Term Obligations

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

Other Long-Term Employee Benefit Obligations

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

Post-Employment Obligations

Defined Benefit Plans

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

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

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

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

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

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

Defined Contribution Plans

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

(l) Cash and Cash Equivalents

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

(m) Taxes

Taxes comprise current income tax and deferred tax.

Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The 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 recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

Current and deferred tax for the year

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

(n) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For leases of both land and building elements, the Company has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 01, 2016) to Ind AS on the basis of the facts and circumstances existing as at that date.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating lease.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessor's are not on that basis, or

(b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Operating lease receipts are recognised as income in the statement of profit and loss on a straight-line basis over the lease term unless either:

(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the receipt from the lessee are not on that basis, or

(b) The receipts from the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If receipts from the lessee vary because of factors other than general inflation, then this condition is not met.

(o) Impairment of Non-Financial Assets

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

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

(p) Fair Value Measurement

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

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

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

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

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

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

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

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

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

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

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

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

(q) Financial Instruments

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

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

Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

Classification of Financial Assets

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

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

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

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

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

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

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

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

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

Equity investment in Subsidiaries

Investments representing equity interest in subsidiaries 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.

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

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

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

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

Trade & Other Receivables

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

Impairment of Financial Assets

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

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

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

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

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

Derecognition of Financial Assets

A financial asset is derecognised only when:

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

Financial Liabilities

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 amortized cost using the effective interest rate method or at fair value through Statement of Profit and Loss

Trade and Other Payables

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

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.

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

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

Derecognition of Financial Liabilities

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

Offsetting Financial Instruments

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

(r) Dividends

Final Dividends on shares are recorded on the date of approval by the shareholders of the Company.

ANNEXURE-V NOTES TO STANDALONE FINANCIAL INFORMATION for the year ended 31 March, 2018

Note No: 3 Property Plant & Equipment

(₹ in million)

Description	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Office Appliances	Computers	Vehicles	Total
Deemed Cost								
As at 01 April 2016	**115.70**	**167.84**	**431.38**	**7.44**	**3.13**	**1.72**	**17.42**	**744.64**
Additions	-	-	97.69	4.62	0.91	0.49	9.22	112.93
Disposals/write off	-	-	0.10	-	0.02	-	3.20	3.33
As at 31 March 2017	**115.70**	**167.84**	**528.97**	**12.07**	**4.01**	**2.21**	**23.44**	**854.24**
Additions	436.20	-	60.72	1.56	0.59	0.69	-	499.76
Disposals/write off	**-**	**-**	**-**	**-**	**0.07**	**-**	**0.44**	**0.51**
As at 31 March 2018	**551.91**	**167.84**	**589.69**	**13.63**	**4.53**	**2.90**	**23.00**	**1,353.49**
Accumulated Depreciation								
As at 01 April 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	6.31	38.41	1.21	1.45	0.63	3.10	51.10
Disposals/write off	-	-	0.00	-	0.00	-	0.30	0.30
As at 31 March 2017	**-**	**6.31**	**38.40**	**1.21**	**1.44**	**0.63**	**2.80**	**50.80**
Charge for the year	-	6.17	43.19	1.46	1.31	0.65	3.30	56.09
Disposals/write off	-	-	-	-	0.02	-	0.20	0.22
As at 31 March 2018	**-**	**12.48**	**81.60**	**2.67**	**2.73**	**1.28**	**5.91**	**106.67**
Net Book Value								
As at 31 March 2018	**551.91**	**155.36**	**508.09**	**10.96**	**1.80**	**1.62**	**17.09**	**1,246.82**
As at 31 March 2017	115.70	161.53	490.57	10.86	2.57	1.58	20.63	803.44

Certain borrowings of the Company have been secured against Property, Plant and Equipment (Refer Note No. 14 & 18)

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 4 Other Intangible Assets

(₹ in million)

Description	Computer Software	Trademark	Total
Deemed Cost			
As at 01 April 2016	**4.19**	**0.03**	**4.22**
Additions	1.33	-	1.33
Disposals/write off	-	-	-
As at 31 March 2017	**5.52**	**0.03**	**5.55**
Additions	1.31	-	1.31
Disposals/write off	-	-	-
As at 31 March 2018	**6.83**	**0.03**	**6.86**
Accumulated Depreciation			
As at 01 April 2016	-	-	-
Charge for the year	1.14	-	1.14
Disposals/write off	-	-	-
As at 31 March 2017	**1.14**	-	**1.14**
Charge for the year	1.30	-	1.30
Disposals/write off	-	-	-
As at 31 March 2018	**2.43**	-	**2.43**
Net Book Value			
As at 31 March 2018	**4.39**	**0.03**	**4.42**
As at 31 March 2017	4.38	0.03	4.41

Note No: 5 Non Current Investments

(₹ in million)

Particulars	Face Value	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Investment in Equity Shares							
A. In Subsidiaries (Unquoted) - At cost*							
- M.G. Steel Limited	10/-	-	-	77,900	3.19	77,900	3.19
Total (A)		-	-	77,900	3.19	77,900	3.19
B. In Others - At FVTPL							
- Bank of Maharashtra	10/-	1,900	0.03	1,900	0.06	1,900	0.06
Total (B)		**1,900**	**0.03**	1,900	0.06	1,900	0.06
Total Investments		**1,900**	**0.03**	79,800	3.25	79,800	3.24
Aggregate Value of Unquoted Investments			-		3.19		3.19
Aggregate Value of Quoted Investments			0.03		0.06		0.06
Aggregate Market Value of Quoted Investments			0.03		0.06		0.06
Aggregate Amount of Impairment in Value of Investments			-		-		-

* During the year 2017-18, the Company has sold its shares held in the Subsidiary Company (i.e. M G Steel Limited) (Refer Note No. 45)

Note No: 6 Inventories

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Raw Materials	95.03	71.84	59.81
Finished Goods	28.47	35.03	15.92
Work in Progress	3.21	3.03	2.51
Total	**126.71**	**109.90**	**78.25**

Certain borrowings of the Company have been secured against Inventories (Refer Note No. 14 & 18)

Valued at lower of cost and net realisable value - for further details refer Note 2 (i) of Accounting poilicies (Annexure V)

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 7 Trade Receivables

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Carried at Amortised Cost			
From Others*			
- Secured, considered good	0.09	0.03	0.04
- Unsecured, considered good	121.77	39.65	84.31
Total	**121.85**	**39.68**	**84.36**

* No amount is due from Related parties

Certain borrowings of the Company have been secured against Trade Receivables

(Refer Note No. 14 & 18)

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

Refer Note No 40 for ageing of Trade Receivables

Note No: 8 Cash and Cash Equivalents

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Cash in hand	0.01	0.06	0.14
Balances with Bank			
- in current accounts	171.43	100.78	82.06
Total	**171.44**	**100.84**	**82.20**

Note No: 9 Other Bank Balances

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Bank			
-in Deposit having maturity for more than 3 months but less than 12 months	468.10	315.97	205.63
-in Unpaid Dividend account	0.51	0.36	0.31
Total	**468.60**	**316.34**	**205.94**

Note No: 10 Other Financial Assets

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-17
Carried at Amortised Cost			
Unsecured, considered good			
Advances to employees	1.04	1.45	0.61
Security deposits	7.18	6.81	7.35
Insurance claim receivable	-	-	0.11
Total	**8.22**	**8.26**	**8.06**

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 11 Other Current Assets

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Unsecured, considered good			
Advance to Vendors	12.37	6.94	4.97
Duty Drawback receivable	0.33	0.18	0.15
Prepaid Expenses	2.81	3.51	1.60
Balance of Cenvat/GST	3.22	13.73	16.60
Other assets	-	-	-
Total	**18.74**	**24.35**	**23.31**

Note No: 12 Equity Share Capital

(₹ in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital						
Equity shares of ₹10/- each	25,000,000	250.00	5,000,000	50.00	5,000,000	50.00
Issued Capital						
Equity share of ₹10/- each	1,200,000	12.00	1,200,000	12.00	1,200,000	12.00
Subscribed and Fully Paid up*						
Equity share of ₹10/- each	1,093,150	10.93	1,093,150	10.93	1,093,150	10.93

* the Company had earlier undertaken issue of 4 lakhs Equity Shares by Private Placement. However, out of those 4 lakhs shares 1,06,850 shares were never subscribed and remain unsubscribed. The Board at its meeting held on June 08, 2018 has approved to cancel these 1,06,850 shares which remained unsubscribed, subject to approval of members of the Company.

A. Reconciliation of Number of Equity Shares Outstanding

(₹ in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	1,093,150	10.93	1,093,150	10.93	1,093,150	10.93
Add: Issued during the year	-	-	-	-	-	-
Less: Cancelled during the year	-	-	-	-	-	-
Balance at the End of the Year	**1,093,150**	**10.93**	1,093,150	10.93	1,093,150	10.93

B. Rights, Preferences and Restrictions attached to Equity Shares.

The Company has one class of Equity Shares with a par value of ₹10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their holding. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the Shareholders.

C. Details of Shareholders holding more than 5% Equity Shares

(₹ in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of ₹10/- each fully paid						
Madhu Bhushan Khurana	604,660	55.31%	599,340	54.83%	617,040	56.45%
Sidhartha Bhushan Khurana	156,360	14.30%	142,360	13.02%	118,660	10.85%
Chand Khurana	91,600	8.38%	90,200	8.25%	94,200	8.62%

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 13 Other Equity

(₹ in million)

Particulars	Reserves and surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at April 01, 2016	6.83	93.37	524.23	624.42
Profit for the year	-	-	236.01	236.01
Other Comprehensive Income (net of tax)	-	-	0.20	0.20
Transfer to General Reserve	-	30.00	(30.00)	-
Dividend & Dividend Distribution Tax	-	-	(1.32)	(1.32)
As at March 31, 2017	**6.83**	**123.37**	**729.13**	**859.32**
As at April 01, 2017	6.83	123.37	729.13	859.32
Profit for the year	-	-	328.81	328.81
Other Comprehensive Income (net of tax)	-	-	(0.34)	(0.34)
Transfer to General Reserve	-	40.00	(40.00)	-
Dividend & Dividend Distribution Tax	-	-	(11.84)	(11.84)
As at March 31, 2018	**6.83**	**163.37**	**1,005.76**	**1,175.95**

Note No: 14 Non-Current Borrowings

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
At Amortised Cost			
Term Loans from Banks (Secured)			
Vehicle Loan	7.65	11.73	9.55
Other Term Loan	-	-	-
Loans from Related Parties (Unsecured)			
From Directors	-	17.02	17.02
Total	**7.65**	**28.75**	**26.57**
Less: Current Maturities on Non Current Borrowings			
- Outstanding From Banks	4.14	4.00	2.27
Total	**4.14**	**4.00**	**2.27**
Total Non-Current Borrowings	**3.51**	**24.75**	**24.30**

Security, Interest & Repayment Details:

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Vehicle Loan from Banks			
Balance outstanding			
Current Maturity	4.14	4.00	2.27
Non-current Maturity	3.51	7.73	7.29
Security Terms:			
Secured against hypothecation of specified vehicles of the company.			
Interest Rates:			
Applicable rate of interest is 8.50% to 12.50%			
Repayment Terms:			
Vehicle loan repayable within 36/ 60 equal monthly installment.			
Summary- Loans from Banks			
Vehicle Loan			
Balance Outstanding			

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 14 Non-Current Borrowings (contd..)

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Current Maturity	4.14	4.00	2.27
Non-current Maturity	3.51	7.73	7.29
Total	**7.65**	**11.73**	**9.55**
Loan from Related Parties			
Balance Outstanding			
Current Maturity	-	-	-
Non-Current Maturity	-	17.02	17.02
Interest Rate:			
At current market rate of Interest			
Repayment Terms:			
There is no repayment schedule specified, keeping in view the past history and current business scenario, As at each balance sheet date i.e. 31/03/2017, 2016, 2015 and 2014 the Company expected that loan is not going to be repaid within next 12 months. Hence classified as Non-Current.			

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

Note No: 15 Other Non-Current Financial Liabilities

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
At Amortised Cost			
Security Deposit from Dealers	16.90	14.37	13.00
Payables on purchase of Property, Plant & Equipment	245.33	-	-
Total	**262.23**	**14.37**	**13.00**

Note No: 16 Non-Current Provisions

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Provision for Employee Benefits			
- Gratuity	7.75	6.94	5.79
- Leave Encashment	3.35	2.90	2.49
Total	**11.10**	**9.84**	**8.28**

Note No: 17 Deferred Tax Liabilities (Net)

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Deferred Tax Liabilities:			
Impact of difference between tax depreciation and depreciation	102.51	88.74	70.38
Total Deferred Tax Liabilities	**102.51**	**88.74**	**70.38**
Deferred Tax Assets:			
Disallowance under the Income Tax Act, 1961	6.29	5.95	5.13
Total Deferred Tax Assets	**6.29**	**5.95**	**5.13**
Net Deferred Tax Liabilities/(Asset)	**96.22**	**82.79**	**65.25**

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Reconciliation of Deferred Tax Liabilities (Net)

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Deferred Tax Liabilities:			
Impact of difference between tax depreciation and depreciation			
Opening Balance	88.74	70.38	52.35
Movement during the year	13.77	18.36	18.03
Closing Balance	**102.51**	**88.74**	**70.38**
Deferred Tax Assets:			
Disallowance under the Income Tax Act, 1961			
Opening Balance	5.95	5.13	3.44
Movement during the year	0.34	0.82	1.69
Closing Balance	**6.29**	**5.95**	**5.13**
Net Deferred Tax Liabilities/(Asset)	**96.22**	**82.79**	**65.25**

Note No: 18 Current Borrowings

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
At Amortised Cost			
Loan Repayable on Demand			
From Banks (Secured*)			
- Cash Credit	-	-	-
Total	**-**	**-**	**-**

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

Note No: 19 Trade Payables

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
At Amortised Cost			
Dues Owed to Micro, Small and Medium Enterprises*	-	-	-
Dues of other than MSMEs	344.21	254.18	281.21
Total	**344.21**	**254.18**	**281.21**

* The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the company (Refer Note No. 33)

Note No: 20 Other Current Financial Liabilities

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
At Amortised Cost			
Current Maturities on Non-Current Borrowings from Banks (Refer Note No. 14)	4.14	4.00	2.27
Unpaid Dividend	0.51	0.36	0.31
Payables on purchase of Property, Plant & Equipment	81.79	-	-
Employee Related Liabilities	27.22	23.26	20.71
Security Deposits	77.46	61.81	60.37
Expenses Payable	13.40	18.52	13.59
Others Payable	16.91	6.71	6.55
Total	**221.43**	**114.65**	**103.80**

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 21 Other Current Liabilities

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Advances received from Customers	11.47	13.41	10.41
Statutory Dues	36.13	13.91	19.95
Others Payable	-	0.02	0.02
Total	**47.60**	**27.35**	**30.38**

Note No: 22 Current Provisions

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Provision for Employee Benefits			
- Gratuity	5.73	5.79	5.04
- Leave Encashment	1.35	1.26	0.93
Total	**7.08**	**7.05**	**5.97**

Note No: 23 Current Tax Liabilities

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Income Tax Payable	48.06	11.76	66.74
Total	**48.06**	**11.76**	**66.74**

Note No: 24 Revenue from operations

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Sale of Goods		
- Inland Sales	3,102.93	2,851.72
- Exports Sales	261.52	239.54
Total Revenue from Operations	**3,364.44**	**3,091.25**

Consequent to the introduction of Goods and Services Tax (GST) with effect from July 01, 2017 Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard-18 “Revenue” and Schedule III of the Companies Act 2013, unlike Excise Duties, levies like GST, VAT etc are not part of Revenue. Accordingly the figures for the year ended 31-Mar-18 are not strictly comparable. The following additional information is being provided to facilitate such understanding.

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Revenue from Operations (including Excise Duty)	3,364.44	3,091.25
Excise Duty	87.18	368.54
Revenue from Operations excluding Excise Duty	**3,277.26**	**2,722.71**

Note No: 25 Other Income

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Other income - recurring		
Interest Income	28.15	18.06
Rent Income	0.26	0.24
Miscellaneous Income	1.74	1.77
Other income - non recurring		
Gain on change in fair value of Investments	-	0.01
Profit on Sale of Investments*	23.30	-
Total	**53.45**	**20.08**
Interest income (calculated using the effective interest method) for financial assets that are classified at amortised cost	28.15	18.06

* During the year 2017-18, the Company has sold its shares held in the Subsidiary Company (i.e. M G Steel Limited) (Refer Note No. 45)

Note No: 26 Cost of Material Consumed

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Consumption of:		
Polycarbonate	148.20	101.56
Cloth	114.88	96.97
ABS	407.19	290.01
Thermocol	142.01	102.48
Buckle	43.67	40.31
PPCP	32.54	26.91
Paints	117.46	118.43
Visor	3.43	4.40
Other Components	519.19	477.04
Total	**1,528.56**	**1,258.11**

Note No: 27 (Increase)/decrease in Inventories of Finished Goods and Work-in-Progress

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Inventory at the beginning of the year		
Finished Goods	35.03	15.92
Work in Progress	3.03	2.51
Total	**38.06**	**18.43**
Less: Inventory at the end of the year		
Finished Goods	28.47	35.03
Work in Progress	3.21	3.03
Total	**31.68**	**38.06**
Net (Increase)/decrease	**6.38**	**(19.63)**

Note No: 28 Employee Benefit Expenses

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Salaries, Wages and Bonus	288.39	243.41
Contribution to Provident Fund & Other Fund	23.44	20.85
Employees Welfare Expenses	6.99	6.92
Total	**318.82**	**271.17**

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 29 Finance Cost

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Interest on:		
- Term Loan	-	-
- Cash Credit / Overdraft	0.03	-
- Vehicle Loan	0.85	0.99
- Unsecured Loans	1.92	2.04
- Dealer Security Deposit	0.68	0.58
Total	**3.47**	**3.61**
Interest expense (calculated using the effective interest method) for financial liabilities that are Classified at Amortised Cost	3.47	3.61

Note No: 30 Depreciation and Amortisation Expense

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Depreciation/Amortisation of tangible assets	56.09	51.10
Amortisation of intangible assets	1.30	1.14
Total	**57.39**	**52.23**

Note No: 31 Other Expenses

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Processing Charges	113.87	100.63
Packaging & Forwarding	192.35	155.84
Power & Fuel	105.82	106.61
Store Consumed	34.90	35.69
Cartage Outward	150.09	120.55
Insurance Expenses	4.58	3.13
Repair and Maintenance :		
- Plant & Machinery	17.43	13.55
- Building	17.63	24.63
- Others	7.45	18.41
Rent	15.64	14.93
Payment to Auditors*	0.85	0.30
Legal & Professional Expenses	22.62	33.77
Corporate Social Responsibility (CSR) expenses#	6.20	4.40
Loss on sale of Property, Plant and Equipment	0.15	1.73
Loss on change in fair value of Investments	0.04	-
Travelling & Conveyance Expenses	9.03	7.47
Commission on Sales	2.35	0.76
Advertisement	24.65	9.76
Target Incentive	110.15	94.22
Bank Charges	0.84	1.94
Miscellaneous Expenses	64.65	62.20
Total	**901.29**	**810.54**

*** Details of Auditor's Remuneration**

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Payment to Auditors		
- For Audit Fees	0.75	0.20
- For Taxation Matters	0.10	0.10
Total	**0.85**	**0.30**

Refer Note No. 35

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 32 Earnings per share

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

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

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Profit after tax for calculation of EPS (₹ in million) (A)	328.81	236.01
Number of equity shares post split*	**2,186,300**	**2,186,300**
Add: Effect of Bonus issue#	17,490,400	17,490,400
Weighted average number of equity shares in calculating diluted EPS (C)	**19,676,700**	**19,676,700**
Face Value per share (Amount in ₹)	5.00	5.00
Basic Earning per share (Amount in ₹) (A/B)	**16.71**	**11.99**
Diluted Earning per share (Amount in ₹) (A/C)	**16.71**	**11.99**

* The Board at its meeting held on June 08, 2018 has recommended to split the each equity share of ₹10/- each into two equity shares of ₹5/- each subject to approval by members of the Company. Effect of the same has been considered while computing basic and diluted EPS in accordance with Ind AS 33 "Earnings per Share".

Further, the Board at its meeting held on June 08, 2018 has recommended to issue eight equity shares for each share held in the company, subject to approval by members of the Company. Effect of the same has been considered while computing basic and diluted EPS in accordance with Ind AS 33 “Earnings per Share”.

Note No: 33 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 34 Segment Information

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

Note No: 35 Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

In light of section 135 of the Companies act 2013, the Company has carried out the following expenses on corporate social responsibility (CSR) aggregating to INR 6.20 million for CSR activities carried out during the current year:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	
(i) Gross amount required to be spent by the Company during the year	**6.14**	4.39	
	In Cash	**Yet to be paid in Cash**	**Total**
(ii) Amount spent during the year ending on March 31, 2018:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above			
– Studds Foundation	6.20	-	6.20
(iii) Amount spent during the year ending on March 31, 2017:			
1. Construction / acquisition of any asset	4.40	-	4.40
2. On purposes other than (i) above			
– Studds Foundation			

Note No: 36 Related Party Disclosures

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

Subsidiary Company:

- M.G. Steel Limited (upto March 08, 2018)

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

- Alpine Apparel Private Limited (Related Party till 22/01/2018)
  Studds Foundation

Key Management Personnel & their Relatives:

- Mr. Madhu Bhushan Khurana	Chairman
- Mrs. Chand Khurana	Wife of Chairman (Director upto 22/01/2018)
- Mr. Sidhartha Bhushan Khurana	Managing Director
- Mrs. Garima Khurana	Wife of Managing Director (Director upto 22/01/2018)
- Mr. Sanjay Leekha	Director (upto 22/01/2018)

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 36 Related Party Disclosures (contd..)

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2018

(₹ in million)

S. No.	Name of the Party	Nature of Transaction	Year ended 31-Mar-18	Year ended 31-Mar-17
1	**Mr. Madhu Bhushan Khurana**	**Director's Remuneration:**		
		- Short-term employee benefits	15.05	6.95
		- Post-employment benefits	-	-
		Interest on Loan	1.36	1.39
		Dividend	5.36	0.60
		Rent	0.30	0.30
		Loan Taken	-	-
		Loan Repaid	11.57	-
		Loan Receivable/(Payable)	-	(11.57)
		Balance Receivable/(Payable)	(0.06)	(0.18)
2	**Mrs. Chand Khurana**	**Director's Remuneration/Salary:**		
		- Short-term employee benefits	2.73	2.83
		- Post-employment benefits	-	-
		Interest on Loan	0.56	0.65
		Dividend	0.81	0.09
		Rent	0.30	0.30
		Loan Repaid	5.45	-
		Loan Receivable/(Payable)	-	(5.45)
		Balance Receivable/(Payable)	(1.10)	(0.09)
3	**Mr. Sidhartha Bhushan Khurana**	**Director's Remuneration:**		
		- Short-term employee benefits	15.15	11.48
		- Post-employment benefits	-	-
		Dividend	1.34	0.14
		Balance Receivable/(Payable)	(0.19)	-
4	**Mrs. Garima Khurana**	**Director's Remuneration/Salary:**		
		- Short-term employee benefits	1.13	0.49
		- Post-employment benefits	-	-
		Dividend	0.02	0.00
		Balance Receivable/(Payable)	(0.01)	-
5	**Alpine Apparels Private Limited**	**Adavnce given against service contract**	15.00	-
		Advance received back with interest	15.00	-
		Interest received on advance	0.72	-
6	**Stuuds Foundation**	**CSR Expenditure**	6.20	4.14

Terms and conditions of transactions with related parties

The transactions related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs through banking channel. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018 and 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 37 Commitments and Contingencies

(i) Leases

Operating lease: Company as Lessee

The Company has taken buildings under operating lease arrangements. Minimum lease payments under operating leases are recognized on a straight line basis over the term of the lease. Rent expense for operating leases for the year ended March 31, 2018 is as follows:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Rent Expense under Operating Lease	15.64	14.93	12.33

There are no significant restrictions imposed by the lease agreements and there are no sub leases. There are no contingent rents. The operating lease agreements are renewable on a periodic basis. Some of these lease agreements have price escalating clauses.

Operating lease: Company as Lessor

The Company has given space for mobile tower under operating lease arrangements. Minimum lease rentals under operating leases are recognized on a straight line basis over the term of the lease. Rent income for operating leases for the year ended March 31, 2018 is as follows:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Rent Income under Operating Lease	0.26	0.24	0.24

There are no significant restrictions imposed by the lease agreements and there are no sub leases. There are no contingent rents. The operating lease agreements are renewable on a periodic basis. Some of these lease agreements have price escalating clauses.

(ii) Commitments (Net of Advances)

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

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.82	7.66	2.63

(iii) Contingent Liabilities

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Sales tax demand	43.45	-	-
Electricity penal demand	5.69	-	-

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

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

(c) A workman has raised demand notice dt. 30/12/2014 and prayer made that the termination of service is illegal. Manangement has put their defence. Now, the matter is fixed for final arguments.

(d) Another workman had filed a case in the Labour Court Faridabad against the Company regarding a termination of his employment. He was granted 25 % back wages alongwith reinstatement. He filed a Writ Petition in the High Court for enhancement of the back wages alongwith consequential benefits.

Note No: 38 Employee Benefits

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

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Employer's Contribution to Provident Fund & Pension*	14.63	13.69	10.46
Employer's Contribution to ESI*	8.54	6.89	6.17

*Included in Contribution to provident and other funds under Employee Benefits Expense (Refer Note No. 28)

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

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

I. Disclosures in Respect of Gratuity:

(i) Present value of Defined Benefit Obligation:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Present value of obligation as at the beginning	12.73	10.83	8.83
Current service cost	1.57	1.48	1.24
Past Service Cost	-	-	-
Interest cost	0.88	0.86	0.69
Re-measurement (or Actuarial) (gain) / loss	0.52	(0.31)	0.22
Benefits paid	(2.23)	(0.12)	(0.15)
Present Value of Obligation as at the end	**13.48**	**12.73**	**10.83**
Current Liability	**5.73**	**5.79**	**5.04**
Non-Current Liability	**7.75**	**6.94**	**5.79**

(ii) Fair Value of Plan Assets:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Fair Value of Plan Assets as at the beginning	-	-	-
Interest Income	-	-	-
Employer's Contribution	-	-	-
Benefits Paid	-	-	-
Actuarial Gains/(Losses)	-	-	-
Fair Value of Plan Assets as at the end	**-**	**-**	**-**

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Present Value of Obligation at the end	13.48	12.73	10.83
Fair Value of Plan Assets at the end	-	-	-
Amount Recognised in Balance Sheet	**13.48**	**12.73**	**10.83**

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 38 Employee Benefits (Contd..)

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Current service cost	1.57	1.48	1.24
Past service cost	-	-	-
Net interest cost on net defined benefit liability	0.88	0.86	0.69
Net benefit expense recognized in statement of Profit and Loss	**2.45**	**2.34**	**1.93**

(v) Amount recognised in Other Comprehensive Income:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Actuarial (Gain)/Loss arising from:			
Effect of experience adjustment (gains)/losses	0.58	(0.45)	0.25
Difference in Present Value of Obligations	(0.06)	0.14	(0.03)
Components of defined benefit costs recognised in other comprehensive income	**0.52**	**(0.31)**	**0.22**

(vi) Funding Pattern

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
	Nil	Nil	Nil

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Discount rate	7.70 % p.a.	7.55 % p.a.	7.97 % p.a.
Attrition Rate	20.00 % p.a.	20.00 % p.a.	20.00 % p.a.
Salary growth rate	10.00 % p.a.	10.00 % p.a.	10.00 % p.a.
Mortality rate	IALM 2006-08	IALM 2006-08	IALM 2006-08

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

(viii) A quantitative sensitivity analysis for significant assumption

(a) Discount rate

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Change in assumption (3 % p.a. increase)			
Impact on defined benefit obligation	(0.97)	(0.87)	(0.69)
Change in assumption (3 % p.a. decrease)			
Impact on defined benefit obligation	1.26	1.12	0.88

Note No: 38 Employee Benefits (Contd..)

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

(b) Salary growth rate

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Change in assumption (1 % p.a. increase)			
Impact on defined benefit obligation	0.37	0.33	0.26
Change in assumption (1 % p.a. decrease)			
Impact on defined benefit obligation	(0.35)	(0.31)	(0.25)

(c) Attrition Rate

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Change in assumption (3 % p.a. increase)			
Impact on defined benefit obligation	(0.27)	(0.23)	(0.17)
Change in assumption (3 % p.a. decrease)			
Impact on defined benefit obligation	0.28	0.24	0.17

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

(ix) Defined benefit liability and employer contributions

Expected benefit payments are as follows:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Within the next 12 months	5.92	6.06	5.21
Between 2 and 5 years	8.76	7.95	7.06
Between 5 and 10 years	8.36	7.54	6.06
After 10 years	8.75	7.40	6.93

(x) Risk exposure

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

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

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

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

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 38 Employee Benefits (Contd..)

(x) Risk exposure (contd..)

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

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Present value of obligation as at the beginning	4.16	3.42	2.17
Current service cost	2.39	2.16	1.82
Interest cost	0.20	0.17	0.09
Re-measurement (or Actuarial) (gain) / loss	1.01	1.09	1.40
Benefits paid	(3.05)	(2.68)	(2.06)
Present Value of Obligation as at the end	**4.70**	**4.16**	**3.42**
Current Liability	**1.35**	**1.26**	**0.93**
Non-Current Liability	**3.35**	**2.90**	**2.49**

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Current service cost	2.39	2.16	1.82
Past service cost	-	-	-
Interest cost	0.20	0.17	0.09
Re-measurement (or Actuarial) (gain) / loss	1.01	1.09	1.40
Net benefit expense recognized in statement of Profit and Loss	**3.60**	**3.42**	**3.31**

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Discount rate	7.70 % p.a.	7.55 % p.a.	7.97 % p.a.
Attrition Rate	20.00 % p.a.	20.00 % p.a.	20.00 % p.a.
Salary growth rate	10.00 % p.a.	10.00 % p.a.	10.00 % p.a.
Mortality rate	IALM 2006-08	IALM 2006-08	IALM 2006-08

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

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Fair Value of Plan Assets at the end	-	-	-
Present Value Obligation at the end	4.70	4.16	3.42
Amount Recognised in Balance Sheet	4.70	4.16	3.42

Note No: 39 Fair Values

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

A. Financial Assets (other than equity investment in subsidiaries carried at cost)

(₹ in million)

Particulars	31-Mar-18		31-Mar-17		01-Apr-16	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Investments*	0.03	0.03	0.06	0.06	0.06	0.06
Trade Receivables	121.85	121.85	39.68	39.68	84.36	84.36
Cash & Cash Equivalents	171.44	171.44	100.84	100.84	82.20	82.20
Other Bank Balances	468.60	468.60	316.34	316.34	205.94	205.94
Other Financial Assets	8.22	8.22	8.26	8.26	8.06	8.06
Total Financial Assets	**770.14**	**770.14**	**465.19**	**465.19**	**380.62**	**380.62**

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

B. Financial Liabilities

(₹ in million)

Particulars	31-Mar-18		31-Mar-17		01-Apr-16	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Borrowings	3.51	3.51	24.75	24.75	24.30	24.30
Other Non-Current Financial Liabilities	262.23	262.23	14.37	14.37	13.00	13.00
Current Borrowings	-	-	-	-	-	-
Trade Payables	344.21	344.21	254.18	254.18	281.21	281.21
Other Current Financial Liabilities#	221.43	221.43	114.65	114.65	103.80	103.80
Total Financial Liabilities	**831.39**	**831.39**	**407.95**	**407.95**	**422.32**	**422.32**

including current maturities of non-current borrowings

C. Fair value measurement hierarchy for Assets and Liabilities

Fair value measurement

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

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

Level 1

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

Level 2

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

Level 3

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

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 39 Fair Values (Contd..)

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

(₹ in million)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Financial Assets			
Financial investments as FVTPL			
Investment in Quoted Shares (Level 1)	0.03	0.06	0.06

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

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

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

Note No: 40 Financial risk management objectives and policies

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

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

Market Risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2018, 2017 and 1st April 2016

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

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

Interest Rate Risk

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

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

(₹ in million)

Particulars	Increase/decrease in basis points	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
INR Loans*	+ 50 Basis Points	(0.00)	-	(0.11)
INR Loans*	- 50 Basis Points	0.00	-	0.11

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

Note No: 40 Financial risk management objectives and policies (Contd..)

Foreign Currency Risk

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

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

Liabilities/Assets	Foreign Currency (Amount in million)		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Liabilities			
USD	0.21	0.17	0.36
EURO	0.08	0.04	-
Assets			
USD	-	0.04	0.01
EURO	0.02	-	0.00

Liabilities/Assets	INR (₹ in million)		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Liabilities			
USD	13.37	11.07	24.52
EURO	6.10	3.04	-
Assets			
USD	-	2.44	0.65
EURO	1.73	-	0.03

Foreign Currency Sensitivity

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

(₹ in million)

Currency	Change in rate	Effect on profit before tax for the year		
		31-Mar-18	31-Mar-17	01-Apr-16
USD	Appreciation in INR by 5%	0.67	0.43	1.19
USD	Depreciation in INR by 5%	(0.67)	(0.43)	(1.19)
EURO	Appreciation in INR by 5%	0.22	0.15	(0.00)
EURO	Depreciation in INR by 5%	(0.22)	(0.15)	0.00

Credit Risk

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

Trade Receivables

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

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 40 Financial risk management objectives and policies (Contd..)

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

The management believes that the trade receivables as on 31 March 2018, 2017 and 1st April 2016 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

Ageing of Trade Receivables

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
0-6 Months past due	120.97	39.36	84.28
6-12 Months past due	0.69	0.31	0.00
More than 12 months	0.19	0.01	0.08
Total	**121.85**	**39.68**	**84.36**

Balances with Banks

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018, 2017, 2016, 2015 & 2014 is the carrying amounts of balances with banks.

Liquidity Risk

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

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

(₹ in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2018				
Non-Current Borrowings	4.14	3.51	-	7.65
Other Non-Current Financial Liabilities	-	262.23	-	262.23
Trade Payables	344.21	-	-	344.21
Other Current Financial Liabilities	217.29	-	-	217.29
Total	**565.64**	**265.74**	**-**	**831.39**

(₹ in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2017				
Non-Current Borrowings	4.00	24.75	-	28.75
Other Non-Current Financial Liabilities	-	14.37	-	14.37
Trade Payables	254.18	-	-	254.18
Other Current Financial Liabilities	110.65	-	-	110.65
Total	**368.83**	**39.12**	**-**	**407.95**

Note No: 40 Financial risk management objectives and policies (Contd..)

(₹ in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 01 April 2016				
Non-Current Borrowings	2.27	24.30	-	26.57
Other Non-Current Financial Liabilities	-	13.00	-	13.00
Trade Payables	281.21	-	-	281.21
Other Current Financial Liabilities	101.54	-	-	101.54
Total	**385.01**	**37.31**	**-**	**422.32**

Note No: 41 Capital Management

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

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

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Borrowings	7.65	28.75	26.57
Trade Payables	344.21	254.18	281.21
Less: Cash and cash equivalents	171.44	100.84	82.20
Net Debt (A)	**180.42**	**182.10**	**225.58**
Equity (B)	**1,186.88**	**870.25**	**635.35**
Net Debt/ Equity Ratio (A/B)	**15.20%**	**20.92%**	**35.50%**

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

Note No: 42 Significant accounting judgments, estimates and assumptions

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

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

A. Judgments

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

Operating lease commitments – Company as lessor

The Company has entered into leasing arrangements wherein the Company is receiving lease rental income. The Company has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, lease rental income, fair value of the land, transfer / retention of significant risks and rewards of ownership of land determined the lease as operating leases.

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 42 Significant accounting judgments, estimates and assumptions (contd..)

Operating lease commitments – Company as lessee

The Company has entered into leasing arrangements wherein the Company is required to pay monthly lease rentals. The Company has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, lease rental income, fair value of the land, transfer / retention of significant risks and rewards of ownership of land determined the lease as operating leases.

B. Estimates and assumptions

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

(i) Contingent liabilities

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

(ii) Impairment of financial assets

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

(iii) Impairment of Assets

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

(iv) Gratuity benefits

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

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

(v) Taxes

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

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note No: 43 Distributions made and Proposed

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Amounts recognised as distributions to equity holders:			
Interim Dividend (Including Dividend Tax) (₹ In million) (A)	-	-	9.21
Per Share Dividend (Amount in ₹)	-	-	7.00
Proposed Dividend (Including Dividend Tax) (₹ in million) (B)*	11.86	11.84	1.32
Per Share Dividend (Amount in ₹)	0.50	9.00	1.00
Total Dividend (A+B)	**11.86**	**11.84**	**10.53**

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

* The Company has recommended dividends on equity shares @ 10% on paid up share capital of the company i.e 0.50 per paid up equity share (post subdivision of and Bonus of Shares), are subject to approval at the ensuring annual general meeting and are not recognized as a liability (including Dividend distribution tax thereon) until approved by shareholders.

Note No: 44 Specified Bank Notes

The disclosure of the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 by the company as provided in the Table below:

(₹ in million)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.36	0.31	0.67
(+) Permitted receipts	-	0.76	0.76
(-) Permitted payments	-	(0.96)	(0.96)
(-) Amount deposited in Banks	(0.36)	-	(0.36)
Closing cash in hand as on 30.12.2016	-	**0.10**	**0.10**

Note No: 45 Disposal of Investment in Subsidiary

During the year 2017-18, the Company has has sold its entire stake (i.e. 99.24%, no. of shares 77,900) in its subsidiary company i.e. MG Steel Limited w.e.f. March 08, 2018 as a result of which the Company has derecognised the investment held in subsidiary and recognised the gain on disposal of sale in Standalone statement of profit and loss.

Note No: 46 Events after the reporting period

There are no events to be disclosed after the reporting period.

Note No: 47 Amendments to existing standards that are not yet effective and have not been adopted by the company

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, the Ministry of Corporate Affairs ("the MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of related asset, expense or income, when an entity has received or paid advance consideration in foreign currency. The amendment will come into force from April 01, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the

ANNEXURE-V NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods:

- Retrospective approach- Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (cumulative catch - up approach)

The effective date of adoption of Ind AS 115 is the financial year beginning on or after April 01, 2018. The Company will adopt the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

The above statement should be read together with significant accounting policies in Annexure V, adjustments to audited standalone financial statements in Annexure VI and notes to the Standalone financial statements in Annexure V.

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

Place: Faridabad
Date: 8th June, 2018

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Kanika Bhutani
Company Secretary

ANNEXURE-VI ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

First Time Adoption

The Standalone statement of assets and liabilities of the Company as at March 31, 2018 and March 31, 2017 and the Standalone statement of profit and loss, the Standalone statement of changes in equity and the Standalone statement of cash flows for the years ended March 31, 2018 and March 31 2017 and restated other standalone financial information (together referred as 'Standalone financial information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

A. Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) Estimates

The estimates at 01 April 2016 and 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

(ii) Derecognition of financial assets

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS (i.e. April 01, 2016).

(iii) Deemed cost-Previous GAAP carrying amount (PPE and Intangible Assets)

Property Plant & Equipment and Intangible assets- As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 01, 2016 for all the items of property, plant & equipment and intangible assets.

(iv) Arrangements containing a lease

For leases of both land and building elements, the Company has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 01, 2016) to Ind AS on the basis of the facts and circumstance existing as at that date.

(v) Investment in subsidiary

The Company has elected this exemption and opted to continue with the carrying value of investment in subsidiary as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

(vi) Business combinations:

Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before April 01, 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Ind AS financial statements for the year ended March 31, 2016, 2015 and 2014, the Company has continued with the existing exemption on the date of transition (i.e. April 01, 2016) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.

ANNEXURE-VI ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

B. Reconciliations between previous GAAP and Ind AS

Reconciliations between previous GAAP and Ind AS Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Reconciliation of Equity

(₹ in million)

Particulars	Notes	As at 31-Mar-17	As at 01-Apr-16
Equity as reported under previous GAAP		857.55	632.92
Ind AS: Adjustments:			
Proposed Dividend: Adjustment reflect final dividend (including corporate dividend tax) declared and approved post reporting period	1	11.84	1.32
Effect of Investment in Instruments carried at fair value through Profit and Loss	2	(0.02)	(0.03)
Actuarial Valuation of Gratuity and Leave Encashment	5	0.88	1.15
Equity as reported under Ind AS		**870.25**	**635.35**

(ii) Reconciliation of Profit

(₹ in million)

Particulars	Notes	Year ended March 31, 2017	Year ended 01-Apr-16
Profit as reported under previous GAAP		236.47	243.82
Ind AS: Adjustments increase (decrease):			
Effect of Investment in Instruments carried at fair value through Profit and Loss	2	0.01	(0.02)
Actuarial Valuation of Gratuity and Leave Encashment	5	(0.47)	1.79
Profit for the year		236.01	245.59
Other comprehensive income (net of tax)	3	0.20	(0.14)
Total comprehensive income under Ind AS		**236.21**	**245.45**

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the above reconciliation starts with profit under previous GAAP.

(iii) Reconciliation of Cash Flow

There were no significant item between Cash Flows prepared under Indian GAAP and those prepared under Ind AS.

ANNEXURE-VI ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

(i) Reconciliation of Assets and Liabilities

Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Indian GAAP and as per Ind AS as at 31st March 2017 are as follows:

(₹ in million)

Particulars	Notes	As per IGAAP	Ind AS Adjustments	As per Ind AS
ASSETS				
Non-Current Assets				
Property Plant & Equipment		803.44	-	803.44
Capital Work in Progress		6.53	-	6.53
Intangible Assets		4.41	-	4.41
Financial Assets				
- Non-Current Investments	2	3.27	(0.02)	3.25
Total Non-Current Assets		**817.66**	**(0.02)**	**817.64**
Current Assets				
Inventories		109.90	-	109.90
Financial Assets				
- Trade Receivables		39.68	-	39.68
- Cash & Cash Equivalents		100.84	-	100.84
- Other Bank Balances		316.34	-	316.34
- Other Financial Assets		8.26	-	8.26
Other Current Assets		24.35	-	24.35
Total Current Assets		**599.37**	**-**	**599.37**
Total Assets		**1,417.03**	**(0.02)**	**1,417.01**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		10.93	-	10.93
Other Equity	1, 2 & 5	846.62	12.70	859.32
Total Equity		**857.55**	**12.70**	**870.25**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
- Non-Current Borrowings		24.75	-	24.75
- Other Non-Current Financial Liabilities		14.37	-	14.37
Non-Current Provisions	5	17.77	(7.93)	9.84
Deferred Tax Liability (Net)		82.79	-	82.79
Total Non-Current Liabilities		**139.67**	**(7.93)**	**131.75**
Current Liabilities				
Financial Liabilities				
- Trade Payables		254.18	-	254.18
- Other Current Financial Liabilities		114.65	-	114.65
Other Current Liabilities		27.35	-	27.35
Current Provisions	1 & 5	11.84	(4.79)	7.05
Current Tax Liabilities (Net)		11.76	-	11.76
Total Current Liabilities		**419.79**	**(4.79)**	**414.99**
Total Liabilities		**559.46**	**(12.72)**	**546.74**
Total Equity and Liabilities		**1,417.01**	**(0.02)**	**1,416.99**

ANNEXURE-VI ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

(i) Reconciliation of Assets and Liabilities (contd..)

Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Indian GAAP and as per Ind AS as at 1st April 2016 are as follows:

(₹ in million)

Particulars	Notes	As per IGAAP	Ind AS Adjustments	As per Ind AS
ASSETS				
Non-Current Assets				
Property Plant & Equipment		744.64	-	744.64
Capital Work in Progress		0.06	-	0.06
Intangible Assets		4.22	-	4.22
Financial Assets				
- Non-Current Investments	2	3.27	(0.03)	3.24
Total Non-Current Assets		**752.19**	**(0.03)**	**752.16**
Current Assets				
Inventories		78.25	-	78.25
Financial Assets				
- Trade Receivables		84.36	-	84.36
- Cash & Cash Equivalents		82.20	-	82.20
- Other Bank Balances		205.94	-	205.94
- Other Financial Assets		8.06	-	8.06
Other Current Assets		23.31	-	23.31
Total Current Assets		**482.12**	**-**	**482.12**
Total Assets		**1,234.31**	**(0.03)**	**1,234.28**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		10.93	-	10.93
Other Equity	1, 2 & 5	621.99	2.43	624.42
Total Equity		**632.92**	**2.43**	**635.35**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
- Non-Current Borrowings		24.30	-	24.30
- Other Non-Current Financial Liabilities		13.00	-	13.00
Non-Current Provisions	5	15.40	(7.12)	8.28
Deferred Tax Liability (Net)		65.25	-	65.25
Total Non-Current Liabilities		**117.95**	**(7.12)**	**110.83**
Current Liabilities				
Financial Liabilities				
- Trade Payables		281.21	-	281.21
- Other Current Financial Liabilities		103.80	-	103.80
Other Current Liabilities		30.38	-	30.38
Current Provisions	1 & 5	1.32	4.66	5.97
Current Tax Liabilities (Net)		66.74	-	66.74
Total Current Liabilities		**483.45**	**4.66**	**488.10**
Total Liabilities		**601.40**	**(2.46)**	**598.93**
Total Equity and Liabilities		**1,234.33**	**(0.03)**	**1,234.28**

ANNEXURE-VI ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

(ii) Reconciliation of Statement of Profit and Loss account prepared as per Indian GAAP and as per Ind AS

Reconciliation of Statement of Profit and Loss account prepared as per Indian GAAP and as per Ind AS as at 31st March 2017 are as follows:

(₹ in million)

Particulars	Notes	As per IGAAP	Ind AS Adjustments	As per Ind AS
Income				
Revenue from Operations	4	2,722.71	368.54	3,091.25
Other Income	2	20.07	0.01	20.08
Total Revenue		**2,742.78**	**368.55**	**3,111.33**
Expenses				
Cost of Material Consumed		1,258.11	-	1,258.11
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress		(19.63)	-	(19.63)
Excise Duty on sale of goods	4	-	368.54	368.54
Employee Benefit Expense	3 & 5	270.60	0.58	271.17
Finance Cost		3.61	-	3.61
Depreciation and Amortisation Expense		52.23	-	52.23
Other Expenses		810.54	-	810.54
Total		**2,375.47**	**369.12**	**2,744.59**
Profit before Tax		**367.31**	**(0.57)**	**366.75**
Tax Expense:				
Current Tax		113.18	(0.11)	113.07
Deferred Tax		17.54	-	17.54
Tax relating to earlier periods		0.13	-	0.13
Total Tax Expense		**130.84**	**(0.11)**	**130.73**
Profit for the year		**236.47**	**(0.46)**	**236.01**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Re-measurement gains/(losses) on defined benefit plans	3	-	0.31	0.31
Income tax effect	3	-	(0.11)	(0.11)
Total other comprehensive income		**-**	**0.20**	**0.20**
Total Comprehensive Income for the year		**236.47**	**(0.26)**	**236.21**

ANNEXURE-VI ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

(ii) Reconciliation of Statement of Profit and Loss account prepared as per Indian GAAP and as per Ind AS (contd..)

Reconciliation of Statement of Profit and Loss account prepared as per Indian GAAP and as per Ind AS as at 1st April2016 are as follows:

(₹ in million)

Particulars	Notes	As per IGAAP	Ind AS Adjustments	As per Ind AS
Income				
Revenue from Operations	4	2,568.02	351.32	2,919.34
Other Income		10.92	-	10.92
Total Revenue		**2,578.94**	**351.32**	**2,930.26**
Expenses				
Cost of Material Consumed		1,196.23	-	1,196.23
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress		(6.74)	-	(6.74)
Excise Duty on sale of goods	4	-	351.32	351.32
Employee Benefit Expense	3 & 5	221.41	(1.86)	219.54
Finance Cost		5.18	-	5.18
Depreciation and Amortisation Expense		38.29	-	38.29
Other Expenses	2	740.13	0.02	740.15
Total		**2,194.50**	**349.47**	**2,543.97**
Profit before Tax		**384.44**	**1.85**	**386.28**
Tax Expense:				
Current Tax		123.43	0.08	123.50
Deferred Tax		16.34	-	16.34
Tax relating to earlier periods		0.85	-	0.85
Total Tax Expense		**140.62**	**0.08**	**140.69**
Profit for the year		**243.82**	**1.77**	**245.59**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Re-measurement gains/(losses) on defined benefit plans	3	-	(0.22)	(0.22)
Income tax effect	3	-	0.08	0.08
Total other comprehensive income		**-**	**(0.14)**	**(0.14)**
Total Comprehensive Income for the year		**243.82**	**1.63**	**245.45**

Footnotes to the reconciliation of equity and profit or loss:

Note-1: Proposed Dividend

Under the previous GAAP, proposed dividend including corporate dividend tax (CDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as liability in the period in which it is declared by the Company, usually when approved by the shareholders in a Annual general meeting, or paid.

Note-2: Fair Valuation of Investments

The Company has valued investments in equity shares (other than Investment in Subsidiary which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in the opening reserves and changes thereafter are recognised in the Statement of Profit and Loss.

ANNEXURE-VI ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note-3: Remeasurement gains/loss on defined benefit plan

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in OCI.

Note-4: Excise Duty

Under the previous GAAP, revenue from sale to goods was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented on face of Statement of Profit and Loss as a part of expense.

Note-5: Actuarial Valuation of Gratuity and Leave Encashment

Under the previous GAAP, the Company had booked liability for Gratuity & Leave Encashment on the basis of management's estimate rather than on the basis of Accounting Standard- 15 "Employee Benefits". Now the Company has recorded the liability in accordance with Ind AS 19 "Employee Benefits". Further, under IGAAP entire amount for Gratuity and Leave Encashment was treated as Non-Current, now the same has been divided between Current and Non-Current as per Actuarial Report.

ANNEXURE-VII STANDALONE STATEMENT OF ACCOUNTING RATIOS

for the year ended 31 March, 2018

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Basic and Diluted Earnings per Share (₹)	16.71	11.99	12.48
Return on Net Worth (%)	27.70%	27.12%	38.65%
Net asset value per equity share (₹)	1,085.75	796.10	581.21
Weighted average number of equity shares for Basic and Diluted Earnings Per Equity Share	19,676,700	19,676,700	19,676,700
Net Profit after tax, as restated (₹ In million)	328.81	236.01	245.59
Equity Share Capital (₹ In million)	10.93	10.93	10.93
Other Equity (₹ In million)	1,175.95	859.32	624.42
Net Worth (Total Equity) (₹ In million)	1,186.88	870.25	635.35

Notes:

1. The ratios on the basis of Restated financial information have been computed as below:

Basic Earnings per share (₹) = $\frac{\text{Net profit as, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$

Diluted Earnings per share (₹) = $\frac{\text{Net profit as , attributable to equity shareholders}}{\text{Weighted average number of potential equity shares outstanding during the year}}$

Return on net worth (%) = $\frac{\text{Net profit as , attributable to equity shareholders}}{\text{Net worth at the end of the year}}$

Net Asset Value (NAV) per equity share (₹) = $\frac{\text{Net worth, as restated at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.

3. Earning per Share(EPS) calculation is in accordance with the notofied Indian Accounting Standard (Ind AS) 33 'Earnings Per Share' prescribed by the Companies (Indian Accounting Standards) Rules,2015.

4. Subsequent to March 31, 2018, the Board of Directors of the Company, in its meeting held on 08th June, 2018, have recommended to the members for split of equity shares of ₹10/- each to ₹5/- each, subject to approval by the members of the company.

   Further, the Board have also recommended to the members for the issue and allotment of bonus shares in the ratio of 8 (eight) equity shares for every 1 (One) equity share (post split) held by the equity shareholders of the Company, subject to approval by the members of the company.

5. Net Worth means the aggregate value of paid up share capital of company and all reserves created out of profits and securities premium account as per Standalone Statement of Assets and Liabilities of the Company.

6. The above ratios have been computed on the basis of the Standalone Financial Information

   The above statement should be read together with significant accounting policies in Annexure V, adjustments to audited standalone financial statements in Annexure VI and notes to the Standalone financial statements in Annexure V.

ANNEXURE-IX STATEMENT OF TAX SHELTER

for the year ended 31 March, 2018

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Accounting Profit before Tax	**514.80**	**366.75**	**386.28**
Rate of Tax	**34.608%**	**34.608%**	**34.608%**
Computed Tax Expense	**178.16**	**126.92**	**133.69**
Tax effect of:			
Depreciation Allowance	(10.99)	(18.32)	(18.33)
Disallowances / (Allowances)	7.62	4.47	8.15
Profit on sale of Investments	(2.66)	-	-
Change in fair value of financial Instruments	(0.01)	0.00	(0.01)
Current Tax Expense (A)	**172.12**	**113.07**	**123.50**
Tax relating to earlier periods (B)	**0.44**	**0.13**	**0.85**
Deferred Tax Expense:			
Incremental Deferred Tax Liability on account of Property, Plant & Equipment and Intangible Assets	13.77	18.36	18.03
Incremental Deferred Tax Liability on account of Temporary Allowances/Dis-allowances under Income Tax Act, 1961	(0.34)	(0.82)	(1.69)
Deferred Tax Expense (C)	**13.43**	**17.54**	**16.34**
Total Tax Expense (A+B+C)	**185.99**	**130.73**	**140.69**

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of **Studds Accessories Limited**

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated financial statements of Studds Accessories Limited ('the Company') and its subsidiary M G Steel Ltd. ('the Holding Company and the subsidiary together referred to as the Group') which comprise the consolidated balance sheet as at March 31, 2018, the consolidated statement of profit and loss (including Other Comprehensive income), the consolidated cash flow statement and the consolidated statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated Ind AS financial statements).

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Other Matters

- We have not audited the financial statements of subsidiaries namely MG Steel LIMITED, whose financial statements reflect total assets of ₹75.17 lacs as at March 08, 2018, total Revenue/(Expenditure) of ₹21.25/(0.12) lacs and Cash inflows/(outflows) ₹25.12 lacs/(₹9.07) lacs respectively for the period ended on March 08,2018 respectively i.e till the date of existence of subsidiary. These financial statements and other financial information have been provided to us by the management and has been audited by other auditor and our opinion on the financial results, to the extent they have been derived from such financial statements is based solely on the statement of subsidiary.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Other Matters paragraph, the consolidated Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

Report on Other Legal and Regulatory Requirements

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

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

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

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

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

  (a) The company has disclosed the impact of pending litigations on its consolidated Ind AS financial position in its financial statements – Refer Additional Notes to the financial statements 37(iii), Contingent Liability;

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

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

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

CA Rajan Chhabra
Partner
M.No: 088276

Faridabad
8th June,2018

ANNEXURE-A

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

We have audited the internal financial controls over financial reporting of Studds Accessories Limited (“the Company”) and its subsidiary M G Steel Ltd ("the Holding Company and the subsidiary together referred to as the Group") as of 31 March, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Other Matters

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

Opinion

In our opinion, the Company has, in all material respects, except for the possible effects of the matter described in others matter paragraph, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Rajan Chhabra
(Partner)
M. No. : 088276

Date:8th June,2018

ANNEXURE-I CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

As at 31 March, 2018

(₹ in million)

Particulars	Note No.	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
ASSETS				
Non-Current Assets				
Property Plant & Equipment	3	1,246.82	805.50	746.69
Capital Work in Progress		61.49	6.53	0.06
Goodwill on Consolidation		-	2.41	2.41
Other Intangible Assets	4	4.42	4.41	4.22
Financial Assets				
- Non-Current Investments	5	0.03	0.06	0.06
Total Non-Current Assets		**1,312.76**	**818.91**	**753.44**
Current Assets				
Inventories	6	126.71	109.90	78.25
Financial Assets				
- Trade Receivables	7	121.85	39.68	84.36
- Cash & Cash Equivalents	8	171.44	101.56	83.65
- Other Bank Balances	9	468.61	319.25	206.78
- Other Financial Assets	10	8.22	8.27	8.06
Other Current Assets	11	18.74	24.36	23.32
Total Current Assets		**915.57**	**603.02**	**484.42**
Total Assets		**2,228.33**	**1,421.93**	**1,237.86**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	12	10.93	10.93	10.93
Other Equity	13	1,175.95	863.48	627.14
Total Equity attributable to owners of the company		**1,186.88**	**874.41**	**638.07**
Non Controlling Interest	13	**-**	**0.04**	**0.03**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
- Non-Current Borrowings	14	3.51	24.75	24.30
- Other Non-Current Financial Liabilities	15	262.23	14.79	13.41
Non-Current Provisions	16	11.10	9.84	8.28
Deferred Tax Liability (Net)	17	96.22	82.79	65.25
Total Non-Current Liabilities		**373.06**	**132.17**	**111.24**
Current Liabilities				
Financial Liabilities				
- Current Borrowings	18	-	-	-
- Trade Payables	19	344.21	254.18	281.21
- Other Current Financial Liabilities	20	221.43	114.73	103.98
Other Current Liabilities	21	47.60	27.35	30.38
Current Provisions	22	7.08	7.05	5.97
Current Tax Liabilities (Net)	23	48.06	12.00	66.98
Total Current Liabilities		**668.39**	**415.31**	**488.52**
Total Liabilities		**1,041.45**	**547.48**	**599.76**
Total Equity and Liabilities		**2,228.33**	**1,421.93**	**1,237.86**
Significant Accounting Policies	Note 2 of Annexure V			

The above statement should be read together with significant accounting policies in Annexure V, adjustments to audited consilidated financial statements in Annexure VI and notes to the Consolidated financial statements in Annexure V.

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Place: Faridabad
Date: 8th June, 2018

Kanika Bhutani
Company Secretary

ANNEXURE-II CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2018

(₹ in million)

Particulars	Note No.	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Income			
Revenue from Operations	24	3,364.44	3,091.25
Other Income	25	49.88	21.98
Total Revenue		**3,414.32**	**3,113.23**
Expenses			
Cost of Material Consumed	26	1,528.56	1,258.11
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	27	6.38	(19.63)
Excise Duty on sale of goods		87.18	368.54
Employee Benefit Expense	28	318.82	271.17
Finance Cost	29	3.47	3.61
Depreciation and Amortisation Expense	30	57.39	52.23
Other Expenses	31	901.30	810.55
Total		**2,903.10**	**2,744.60**
Profit before Tax		**511.22**	**368.63**
Tax Expense:			
Current Tax		172.67	113.49
Deferred Tax		13.43	17.54
Tax relating to earlier periods		0.46	0.13
Total Tax Expense		**186.55**	**131.17**
Profit for the year		**324.66**	**237.47**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(0.52)	0.31
Income tax effect		0.18	(0.11)
Total other comprehensive income		**(0.34)**	**0.20**
Total Comprehensive Income for the year		**324.32**	**237.67**
Profit after Tax attributable to:			
Owners of the Company		324.65	237.46
Non-controlling Interest		0.01	0.01
Other Comprehensive Income attributable to:			
Owners of the Company		(0.34)	0.20
Non-controlling Interest		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		324.31	237.66
Non-controlling Interest		0.01	0.01
Earnings per share (face value ₹5/-)	32		
- Basic EPS (in ₹)		16.50	12.07
- Diluted EPS (in ₹)		16.50	12.07
Significant Accounting Policies	Note 2 of Annexure V		

The above statement should be read together with significant accounting policies in Annexure V, adjustments to audited consilidated financial statements in Annexure VI and notes to the Consolidated financial statements in Annexure V.

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

Place: Faridabad
Date: 8th June, 2018

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Kanika Bhutani
Company Secretary

ANNEXURE-III CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March, 2018

(i) Equity Share Capital

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-17
Equity share of ₹10/- each			
Balance at the beginning of the year	**10.93**	10.93	10.93
Movement during the year	-	-	-
Balance at the end of the year	**10.93**	**10.93**	**10.93**

(ii) Other Equity

(₹ in million)

Particulars	Reserves and surplus			Other Equity attributable to Owners	Non Controlling Interest
	Securities Premium	General Reserves	Retained Earnings		
As at April 01, 2016	6.83	93.37	526.94	627.14	0.03
Profit for the year	-	-	237.46	237.46	0.01
Other Comprehensive Income (net of tax)	-	-	0.20	0.20	-
Transfer to General Reserve	-	30.00	(30.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(1.32)	(1.32)	-
As at March 31, 2017	**6.83**	**123.37**	**733.29**	**863.48**	**0.04**
As at April 01, 2017	6.83	123.37	733.29	863.48	0.04
Profit for the year	-	-	324.65	324.65	0.01
Other Comprehensive Income (net of tax)	-	-	(0.34)	(0.34)	-
Transfer to General Reserve	-	40.00	(40.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(11.84)	(11.84)	-
Derecognition of Non-controlling Interest	-	-	-	-	(0.05)
As at March 31, 2018	**6.83**	**163.37**	**1,005.76**	**1,175.95**	**-**

The above statement should be read together with significant accounting policies in Annexure V, adjustments to audited consilidated financial statements in Annexure VI and notes to the Consolidated financial statements in Annexure V.

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Chairman and Managing Director
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Managing Director
DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Place: Faridabad
Date: 8th June, 2018

Kanika Bhutani
Company Secretary

ANNEXURE-IV CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March, 2018

(₹ in million)

Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
A Cash Flow from Operating Activities		
Profit before Tax	511.22	368.63
Adjustments for:		
Depreciation and Amortisation Expense	57.39	52.23
(Gain)/Loss in change in fair value of financial instruments	0.04	(0.01)
Finance Cost	3.47	3.61
Rent Income	(2.22)	(2.06)
Interest Income	(28.31)	(18.15)
Profit on Sale of Investments	(17.60)	-
Loss on sale of Property, Plant and Equipment	0.15	1.73
Other Income	(1.74)	(1.77)
Operating Profit before working Capital changes	**522.38**	**404.25**
Working capital adjustments:		
Movement in trade & other payables	134.04	(17.09)
Movement in trade & other receivables	(76.49)	43.42
Movement in inventories	(16.81)	(31.65)
Cash Generated from Operations	**563.13**	**398.92**
Direct Taxes Paid and Taxes earlier years	(136.88)	(168.39)
Net Cash Flow from Operating Activities (A)	**426.25**	**230.54**
B Cash Flow from Investing Activities		
Purchases of Property, Plant and Equipment (PPE)	(228.92)	(120.73)
Sale proceeds from sale of PPE	0.14	1.29
Sale proceeds from sale of Investments	26.49	-
(Investment) In Fixed Deposits/Maturity	(149.36)	(112.46)
Rent Received	2.22	2.06
Interest Received	28.31	18.15
Other Income Received	1.74	1.77
Net Cash Flow from Investing Activities (B)	**(319.38)**	**(209.92)**
C Cash Flow from Financing Activities		
Proceeds/(Repayment) from Non-Current Borrowings (Net)	(21.10)	2.18
Proceeds/(Repayment) from Current Borrowings (Net)	-	-
Dividend Including Dividend Distribution Tax	(11.69)	(1.27)
Interest Paid	(3.47)	(3.61)
Net Cash Flow from Financing Activities (C)	**(36.26)**	**(2.70)**
Net increase in Cash and Cash Equivalents (A+B+C)	**70.60**	**17.91**
Cash and Cash Equivalent at the beginning of the year	101.56	83.65
Less: Opening Cash and Cash Equivalent of MG Steel Limited disposed during the year 2017-18*	0.72	-
Net Cash and Cash Equivalent at the beginning of the year	100.84	83.65
Cash and Cash Equivalent at the end of the year	**171.44**	**101.56**

ANNEXURE-IV CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March, 2018

Amendments to Ind AS 7

The amendments to Ind AS 7 Cash Flow Statements requires to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities,including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and the closing baalnces in the balance sheet for liabilities arising from financing activities.to meet the disclosure requirement. the amendment become effective from April 01,2017 and the required disclosure is amde below. There is no impact on the financial statements due to this amendment.

(₹ in million)

Particulars	As at 31 -Mar-17	Cash Flows	Non-cash changes	As at 31 -Mar-18 Proforma
Borrowings-Non Current	28.75	(21.10)	-	7.65
Borrowings- Current	-	-	-	-

The above statement should be read together with significant accounting policies in Annexure V, restatement adjustments to audited consilidated financial statements in Annexure VI and notes to the Consolidated financial statements in Annexure V.

* During the year 2017-18, the Company has sold its entire investments in subsidiary company (i.e. MG Steel Limited) (Refer Note No. 45)

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

(ii) During the year the Company spent ₹6.20 million on CSR Expenses in accordance with the provision of the Companies Act, 2013

(iii) Cash and Cash Equivalents includes Bank Balances and Cash in hand as per Note No. 8

(iv) Figures in bracket represents cash outflow

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Place: Faridabad
Date: 8th June, 2018

Kanika Bhutani
Company Secretary

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

1. Corporate Information

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

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

2. Significant Accounting Policies

(a) Statement of Compliance

The Consolidated Statement of Assets and Liabilities of the Group as at March 31, 2018, March 31, 2017 and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended March 31, 2018 and for the year ended March 31, 2017 and Other Consolidated Financial Information (together referred as 'Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The Financial Information (including Consolidated Ind AS financial information for the years ended March 31, 2018 and March 31, 2017) have been compiled by the Company under Ind AS.

For all periods up to and including the year ended March 31, 2017, the Company prepared its audited consolidated financial information in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The consolidated financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. The date of transition to Ind AS is April 01, 2016.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Shareholders' equity as at March 31, 2017, April 1,2016. Reconciliation of the same is disclosed in Annexure-VI.

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

(b) Basis of Consolidation and Equity Accounting

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

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

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

Subsidiaries

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

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

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Change in Equity and Consolidated Statement of Assets and Liabilities respectively.

Changes in Ownership Interests

The group treats transactions with non-controlling interests which does not result in loss of control as transaction with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received in recognized within equity.

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

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

Particulars of Subsidiary Company consolidated

S. No.	Name of Company	Country of Incorporation	% Holding
1	M G STEEL LIMITED (upto 08/03/2018)	India	99.24%

(c) Going Concern

The Board of Directors have considered the financial position of the Group at 31 March 2018 and the projected cash flow and financial performance of the group for at least twelve months from the date of approval of these Consolidated Financial Information 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 Group's operations.

(d) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of assets and liabilities based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(e) 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 amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

(f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sales tax/ value added tax (VAT)/Goods & Service Tax (GST) is not received by the group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of Goods

Revenue from sales of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and cash discount.

Income from Services

Income from services is recognized by reference to the stage of completion of the transaction at the end of the reporting period.

Dividends and Interest Income

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

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably.

For all Financial instruments measured either at amortized or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss. Interest income in respect of financial instruments measured at fair value through profit or loss is included in other income.

(g) Foreign Currency

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

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

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

(h) Property, Plant and Equipment

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

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

On transition to Ind AS, the group has elected to continue with the carrying value of all of its Property plant and equipment recognised as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

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

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

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

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

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

(i) Intangible Assets

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

On transition to Ind AS, the group has elected to continue with the carrying value of all of its intangible assets recognised as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life which is as follows.

Residual Value is considered as Nil in the below cases:

Nature of Assets	Estimated Useful Life
Computer software	5 years
Trademarks	Over the useful life of underlying assets

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

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

(j) Borrowing Costs

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

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

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

(k) Inventories

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

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

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

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

Scrap is valued at net realizable value.

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

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

(l) Provisions and Contingencies

Provisions

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

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

Contingent Liabilities

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

Contingent Assets

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

(m) Employee Benefits

Short-Term Obligations

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

Other Long-Term Employee Benefit Obligations

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

Post-Employment Obligations

Defined Benefit Plans

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

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

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

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

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

Defined Contribution Plans

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

(n) Cash and Cash Equivalents

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

(o) Taxes

Taxes comprise current income tax and deferred tax.

Current Income Tax

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

Deferred Tax

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

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

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

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

Current and deferred tax for the year

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

(p) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For leases of both land and building elements, the group has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 01, 2016) to Ind AS on the basis of the facts and circumstances existing as at that date.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the group is classified as a finance lease. All other leases are classified as operating lease.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessor's are not on that basis, or

(b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met

Group as a lessor

Leases in which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Operating lease receipts are recognised as income in the statement of profit and loss on a straight-line basis over the lease term unless either:

(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the receipt from the lessee are not on that basis, or

(b) The receipts from the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If receipts from the lessee vary because of factors other than general inflation, then this condition is not met.

(q) Impairment of Non-Financial Assets

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

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

(r) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

(s) Financial Instruments

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

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

Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

Classification of Financial Assets

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade & Other Receivables

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Impairment of Financial Assets

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

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

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

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

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

Derecognition of Financial Assets

A financial asset is derecognised only when:

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

Financial Liabilities

Classification of Debt or Equity

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

Equity Instruments

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

Financial liabilities

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

Trade and Other Payables

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

Borrowings

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

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

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

Derecognition of Financial Liabilities

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

Offsetting Financial Instruments

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

(t) Dividends

Final Dividends on shares are recorded on the date of approval by the shareholders of the Company.

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION for the year ended 31 March, 2018

Note No: 3 Property Plant & Equipment

(₹ in million)

Description	Freehold Land	Buildings#	Plant & Machinery	Furniture & Fittings	Office Appliances	Computers	Vehicles	Total
Deemed Cost								
As at 01 April 2016	**115.86**	**169.74**	**431.38**	**7.44**	**3.13**	**1.72**	**17.42**	**746.69**
Additions	-	-	97.69	4.62	0.91	0.49	9.22	112.93
Disposals/write off	-	-	0.10	-	0.02	-	3.20	3.33
As at 31 March 2017	**115.86**	**169.74**	**528.97**	**12.07**	**4.01**	**2.21**	**23.44**	**856.30**
Additions	436.20	-	60.72	1.56	0.59	0.69	-	499.76
Disposals/write off	**-**	**-**	**-**	**-**	**0.07**	**-**	**0.44**	**0.51**
Disposal of Subsidiary#*	**0.16**	**1.90**	**-**	**-**	**-**	**-**	**-**	**2.06**
As at 31 March 2018	**551.91**	**167.84**	**589.69**	**13.63**	**4.53**	**2.90**	**23.00**	**1,353.49**
Accumulated Depreciation								
As at 01 April 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	6.31	38.41	1.21	1.45	0.63	3.10	51.10
Disposals/write off	-	-	0.00	-	0.00	-	0.30	0.30
As at 31 March 2017	**-**	**6.31**	**38.40**	**1.21**	**1.44**	**0.63**	**2.80**	**50.80**
Charge for the year	-	6.17	43.19	1.46	1.31	0.65	3.30	56.09
Disposals/write off	-	-	-	-	0.02	-	0.20	0.22
As at 31 March 2018	**-**	**12.48**	**81.60**	**2.67**	**2.73**	**1.28**	**5.91**	**106.67**
Net Book Value								
As at 31 March 2018	**551.91**	**155.36**	**508.09**	**10.96**	**1.80**	**1.62**	**17.09**	**1,246.82**
As at 31 March 2017	115.86	163.43	490.57	10.86	2.57	1.58	20.63	805.50

* Includes EDC Charges of ₹2.76 million have been capitalised in Land during the year 2014-15

Includes building given on lease

#* During the year 2017-18, the Company has sold its entire investments in subsidiary company (i.e. MG Steel Limited) (Refer Note No. 45)

Certain borrowings of the Company have been secured against Property, Plant and Equipment (Refer Note No. 14 & 18)

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 4 Other Intangible Assets

(₹ in million)

Description	Computer Software	Trademark	Total
Deemed Cost			
As at 01 April 2016	**4.19**	**0.03**	**4.22**
Additions	1.33	-	1.33
Disposals/write off	-	-	-
As at 31 March 2017	**5.52**	**0.03**	**5.55**
Additions	1.31	-	1.31
Disposals/write off	-	-	-
As at 31 March 2018	**6.83**	**0.03**	**6.86**
Accumulated Depreciation			
As at 01 April 2016	-	-	-
Charge for the year	1.14	-	1.14
Disposals/write off	-	-	-
As at 31 March 2017	**1.14**	-	**1.14**
Charge for the year	1.30	-	1.30
Disposals/write off	-	-	-
As at 31 March 2018	**2.43**	-	**2.43**
Net Book Value			
As at 31 March 2018	**4.39**	**0.03**	**4.42**
As at 31 March 2017	4.38	0.03	4.41

Note No: 5 Non Current Investments

(₹ in million)

Particulars	Face value	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
A. In Others - At FVTPL							
- Bank of Maharashtra	10/-	1,900	0.03	1,900	0.06	1,900	0.06
Total		**1,900**	**0.03**	**1,900**	**0.06**	**1,900**	**0.06**
Aggregate Value of Unquoted Investments			-		-		-
Aggregate Value of Quoted Investments			0.03		0.06		0.06
Aggregate Market Value of Quoted Investments			0.03		0.06		0.06
Aggregate Amount of Impairment in Value of Investments			-		-		-

Note No: 6 Inventories

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Raw Materials	95.03	71.84	59.81
Finished Goods	28.47	35.03	15.92
Work in Progress	3.21	3.03	2.51
Total	**126.71**	**109.90**	**78.25**

Certain borrowings of the Company have been secured against Inventories (Refer Note No. 14 & 18)

Valued at lower of cost and net realisable value - for further details refer Note 2 (k) of Accounting Policies(Annexure V)

Note No: 7 Trade Receivables

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
From Others*			
- Secured, considered good	0.09	0.03	0.04
- Unsecured, considered good	121.77	39.65	84.31
Total	**121.85**	**39.68**	**84.36**

* No amount is due from Related parties

Certain borrowings of the Company have been secured against Trade Receivables (Refer Note No. 14 & 18)

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

Refer Note No 40 for ageing of Trade Receivables

Note No: 8 Cash and Cash Equivalents

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Cash in hand	0.01	0.08	0.17
Balances with Bank			
- in current accounts	171.43	101.48	83.49
Total	**171.44**	**101.56**	**83.65**

Note No: 9 Other Bank Balances

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Balances with Bank			
-in Deposit having maturity for more than 3 months but less than 12 months	468.10	318.89	206.47
-in Unpaid Dividend account	0.51	0.36	0.31
Total	**468.61**	**319.25**	**206.78**

Note No: 10 Other Financial Assets

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Carried at Amortised Cost			
Unsecured, considered good			
Advances to employees	1.04	1.45	0.60
Security deposits	7.18	6.82	7.35
Insurance claim receivable	-	-	0.11
Other assets	-	-	-
Total	**8.22**	**8.27**	**8.06**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 11 Other Current Assets

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Unsecured, considered good			
Advance to Vendors	12.37	6.94	4.98
EDC Charges paid under protest*	-	-	-
Duty Drawback receivable	0.33	0.18	0.15
Prepaid Expenses	2.81	3.51	1.60
Balance of Modvat/Cenvat	3.22	13.73	16.60
Other assets	-	-	-
Total	**18.74**	**24.36**	**23.32**

*EDC Charges have been capitalised in Land during the year 2014-15

Note No: 12 Equity Share Capital

(₹ in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital						
Equity shares of ₹10/- each	25,000,000	250.00	5,000,000	50.00	5,000,000	50.00
Issued Capital						
Equity share of ₹10/- each	1,200,000	12.00	1,200,000	12.00	1,200,000	12.00
Subscribed and Fully Paid up*						
Equity share of ₹10/- each	1,093,150	10.93	1,093,150	10.93	1,093,150	10.93

* the Company had earlier undertaken issue of 4 lakhs Equity Shares by Private Placement. However, out of those 4 lakhs shares 1,06,850 shares were never subscribed and remain unsubscribed. The Board at its meeting held on June 08, 2018 has approved to cancel these 1,06,850 shares which remained unsubscribed, subject to approval of members of the Company.

A. Reconciliation of Number of Equity Shares Outstanding

(₹ in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	1,093,150	10.93	1,093,150	10.93	1,093,150	10.93
Add: Issued during the year	-	-	-	-	-	-
Less: Cancelled during the year	-	-	-	-	-	-
Balance at the End of the Year	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**

B. Rights, Preferences and Restrictions attached to Equity Shares.

The Company has one class of Equity Shares with a par value of ₹10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their holding. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the Shareholders.

Note No: 12 Equity Share Capital

C. Details of Shareholders holding more than 5% Equity Shares

(₹ in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of ₹10/- each fully paid						
Madhu Bhushan Khurana	604,660	55.31%	599,340	54.83%	617,040	56.45%
Sidhartha Bhushan Khurana	156,360	14.30%	142,360	13.02%	118,660	10.85%
Chand Khurana	91,600	8.38%	90,200	8.25%	94,200	8.62%

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 13 Other Equity

(₹ in million)

Particulars	Reserves and surplus			Other Equity attributable to Owners	Non Controlling Interest
	Securities Premium	General Reserves	Retained Earnings		
As at April 01, 2016	6.83	93.37	526.94	627.14	0.03
Profit for the year	-	-	237.46	237.46	0.01
Other Comprehensive Income (net of tax)	-	-	0.20	0.20	-
Transfer to General Reserve	-	30.00	(30.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(1.32)	(1.32)	-
As at March 31, 2017	**6.83**	**123.37**	**733.29**	**863.48**	**0.04**
As at April 01, 2017	6.83	123.37	733.29	863.48	0.04
Profit for the year	-	-	324.65	324.65	0.01
Other Comprehensive Income (net of tax)	-	-	(0.34)	(0.34)	-
Transfer to General Reserve	-	40.00	(40.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(11.84)	(11.84)	-
Derecognition of Non-controlling Interest*	-	-	-	-	(0.05)
As at March 31, 2018	**6.83**	**163.37**	**1,005.76**	**1,175.95**	**-**

* During the year 2017-18, the Company has sold its investments as a result of which non-controlling interest is de-recognised (Refer Note No. 45)

Note No: 14 Non-Current Borrowings

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
At Amortised Cost			
Term Loans from Banks (Secured)			
Vehicle Loan	7.65	11.73	9.55
Other Term Loan	-	-	-
Loans from Related Parties (Unsecured)			
From Directors	-	17.02	17.02
Total	**7.65**	**28.75**	**26.57**
Less: Current Maturities on Non Current Borrowings			
- Outstanding From Banks	4.14	4.00	2.27
Total	**4.14**	**4.00**	**2.27**
Total Non-Current Borrowings	**3.51**	**24.75**	**24.30**

Security, Interest & Repayment Details:

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Vehicle Loan from Banks			
Balance outstanding			
Current Maturity	4.14	4.00	2.27
Non-current Maturity	3.51	7.73	7.29
Security Terms:			
Secured against hypothecation of specified vehicles of the company.			
Interest Rates:			
Applicable rate of interest is 8.50% to 12.50%			
Repayment Terms:			
Vehicle loan repayable within 36/ 60 equal monthly installment.			
Summary- Loans from Banks			
Vehicle Loan			
Balance Outstanding			

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 14 Non-Current Borrowings (contd..)

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Current Maturity	4.14	4.00	2.27
Non-current Maturity	3.51	7.73	7.29
Total	**7.65**	**11.73**	**9.55**
Loan from Related Parties			
Balance Outstanding			
Current Maturity	-	-	-
Non-Current Maturity	-	17.02	17.02
Interest Rate:			
At current market rate of Interest			
Repayment Terms:			
There is no repayment schedule specified, keeping in view the past history and current business scenario, As at each balance sheet date i.e. 31/03/2017 and 2016 the Company expected that loan is not going to be repaid within next 12 months. Hence classified as Non-Current.			

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

Note No: 15 Other Non-Current Financial Liabilities

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
At Amortised Cost			
Security Deposit from Dealers	16.90	14.79	13.41
Payables on purchase of Property, Plant & Equipment	245.33	-	
Total	**262.23**	**14.79**	**13.41**

Note No: 16 Non-Current Provisions

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Provision for Employee Benefits			
- Gratuity	7.75	6.94	5.79
- Leave Encashment	3.35	2.90	2.49
Total	**11.10**	**9.84**	**8.28**

Note No: 17 Deferred Tax Liabilities (Net)

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Deferred Tax Liabilities:			
Impact of difference between tax depreciation and depreciation	102.51	88.74	70.38
Total Deferred Tax Liabilities	**102.51**	**88.74**	**70.38**
Deferred Tax Assets:			
Disallowance under the Income Tax Act, 1961	6.29	5.95	5.13
Total Deferred Tax Assets	**6.29**	**5.95**	**5.13**
Net Deferred Tax Liabilities/(Asset)	**96.22**	**82.79**	**65.25**

Note No: 17 Deferred Tax Liabilities (Net) (contd..)

Reconciliation of Deferred Tax Liabilities (Net)

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Deferred Tax Liabilities:			
Impact of difference between tax depreciation and depreciation			
Opening Balance	88.74	70.38	52.35
Movement during the year	13.77	18.36	18.03
Closing Balance	**102.51**	**88.74**	**70.38**
Deferred Tax Assets:			
Disallowance under the Income Tax Act, 1961			
Opening Balance	5.95	5.13	3.44
Movement during the year	0.34	0.82	1.69
Closing Balance	**6.29**	**5.95**	**5.13**
Net Deferred Tax Liabilities/(Asset)	**96.22**	**82.79**	**65.25**

Note No: 18 Current Borrowings

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
At Amortised Cost			
Loan Repayable on Demand			
From Banks (Secured*)			
- Cash Credit	-	-	-
Total	**-**	**-**	**-**

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

Note No: 19 Trade Payables

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
At Amortised Cost			
Dues Owed to Micro, Small and Medium Enterprises*	-	-	-
Dues of other than MSMEs	344.21	254.18	281.21
Total	**344.21**	**254.18**	**281.21**

* The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the company (Refer Note No. 33)

Note No: 20 Other Current Financial Liabilities

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
At Amortised Cost			
Current Maturities on Non-Current Borrowings from Banks (Refer Note No. 14)	4.14	4.00	2.27
Unpaid Dividend	0.51	0.36	0.31
Payables on purchase of Property, Plant & Equipment	81.79	-	-
Employee Related Liabilities	27.22	23.26	20.71
Security Deposits	77.46	61.81	60.37
Expenses Payable	13.40	18.57	13.63
Others Payable	16.91	6.74	6.69
Total	**221.43**	**114.73**	**103.98**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 21 Other Current Liabilities

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Advances received from Customers	11.47	13.41	10.41
Statutory Dues	36.13	13.91	19.95
Others Payable	-	0.02	0.02
Total	**47.60**	**27.35**	**30.38**

Note No: 22 Current Provisions

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Provision for Employee Benefits			
- Gratuity	5.73	5.79	5.04
- Leave Encashment	1.35	1.26	0.93
Total	**7.08**	**7.05**	**5.97**

Note No: 23 Current Tax Liabilities

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Income Tax Payable	48.06	12.00	66.98
Total	**48.06**	**12.00**	**66.98**

Note No: 24 Revenue from operations

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Sale of Goods		
- Inland Sales	3,102.93	2,851.72
- Exports Sales	261.52	239.54
Total Revenue from Operations	**3,364.44**	**3,091.25**

Consequent to the introduction of Goods and Services Tax (GST) with effect from July 01, 2017 Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard-18 “Revenue” and Schedule III of the Companies Act 2013, unlike Excise Duties, levies like GST, VAT etc are not part of Revenue. Accordingly the figures for the year ended 31-Mar-18 are not strictly comparable. The following additional information is being provided to facilitate such understanding.

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Revenue from Operations (including Excise Duty)	3,364.44	3,091.25
Excise Duty	87.18	368.54
Revenue from Operations excluding Excise Duty	**3,277.26**	**2,722.71**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 25 Other Income

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Other income - recurring		
Interest Income	28.31	18.15
Rent Income	2.22	2.06
Miscellaneous Income	1.74	1.77
Other income - non recurring	-	0.01
Gain on change in fair value of Investments	17.60	-
Profit on Sale of Investments*		
Total	**49.88**	**21.98**
Interest income (calculated using the effective interest method) for financial assets that are classified at amortised cost	28.31	18.15

* During the year 2017-18, the Company has sold its shares held in the Subsidiary Company (i.e. M G Steel Limited) (Refer Note No. 45)

Note No: 26 Cost of Material Consumed

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Consumption of:		
Polycarbonate	148.20	101.56
Cloth	114.88	96.97
ABS	407.19	290.01
Thermocol	142.01	102.48
Buckle	43.67	40.31
PPCP	32.54	26.91
Paints	117.46	118.43
Visor	3.43	4.40
Other Components	519.19	477.04
Total	**1,528.56**	**1,258.11**

Note No: 27 (Increase)/decrease in Inventories of Finished Goods and Work-in-Progress

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Inventory at the beginning of the year		
Finished Goods	35.03	15.92
Work in Progress	3.03	2.51
Total	**38.06**	**18.43**
Less: Inventory at the end of the year		
Finished Goods	28.47	35.03
Work in Progress	3.21	3.03
Total	**31.68**	**38.06**
Net (Increase)/decrease	**6.38**	**(19.63)**

Note No: 28 Employee Benefit Expenses

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Salaries, Wages and Bonus	288.39	243.41
Contribution to Provident Fund & Other Fund	23.44	20.85
Employees Welfare Expenses	6.99	6.92
Total	**318.82**	**271.17**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 29 Finance Cost

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Interest on:		
- Term Loan	-	-
- Cash Credit / Overdraft	0.03	-
- Vehicle Loan	0.85	0.99
- Unsecured Loans	1.92	2.04
- Dealer Security Deposit	0.68	0.58
Total	**3.47**	**3.61**
Interest expense (calculated using the effective interest method) for financial liabilities that are Classified at Amortised Cost	3.47	3.61

Note No: 30 Depreciation and Amortisation Expense

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Depreciation/Amortisation of tangible assets	56.09	51.10
Amortisation of intangible assets	1.30	1.14
Total	**57.39**	**52.23**

Note No: 31 Other Expenses

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Processing Charges	113.87	100.63
Packaging & Forwarding	192.35	155.84
Power & Fuel	105.82	106.61
Store Consumed	34.90	35.69
Cartage Outward	150.09	120.55
Insurance Expenses	4.58	3.14
Repair and Maintenance :		
- Plant & Machinery	17.43	13.55
- Building	17.63	24.63
- Others	7.45	18.41
Rent	15.64	14.93
Payment to Auditors*	0.85	0.30
Legal & Professional Expenses	22.62	33.77
Corporate Social Responsibility (CSR) expenses#	6.20	4.40
Loss on sale of Property, Plant and Equipment	0.15	1.73
Loss on change in fair value of Investments	0.04	-
Travelling & Conveyance Expenses	9.03	7.47
Commission on Sales	2.35	0.76
Advertisement	24.65	9.76
Target Incentive	110.15	94.22
Bank Charges	0.84	1.94
Miscellaneous Expenses	64.65	62.21
Total	**901.30**	**810.55**

*** Details of Auditor's Remuneration**

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Payment to Auditors		
- For Audit Fees	0.75	0.20
- For Taxation Matters	0.10	0.10
Total	**0.85**	**0.30**

Refer Note No. 35

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 32 Earnings per share

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

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

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Profit after tax for calculation of EPS (₹ In million) (A)	**324.65**	**237.46**
Number of equity shares post split*	**2,186,300**	**2,186,300**
Add: Effect of Bonus issue#	17,490,400	17,490,400
Weighted average number of equity shares in calculating diluted EPS (C)	**19,676,700**	**19,676,700**
Face Value per share (Amount in ₹)	5.00	5.00
Basic Earning per share (Amount in ₹) (A/B)	**16.50**	**12.07**
Diluted Earning per share (Amount in ₹) (A/C)	**16.50**	**12.07**

* The Board at its meeting held on June 08, 2018 has approved to split the each equity share of ₹10/- each into two equity shares of ₹5/- each subject to approval by members of the Company. Effect of the same has been considered while computing basic and diluted EPS in accordance with Ind AS 33 "Earnings per Share".

Further, the Board at its meeting held on June 08, 2018 has approved to issue eight equity shares for each share held in the company, subject to approval by members of the Company. Effect of the same has been considered while computing basic and diluted EPS in accordance with Ind AS 33 "Earnings per Share".

Note No: 33 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Note No: 34 Segment Information

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 35 Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

In light of section 135 of the Companies act 2013, the Group has carried out the following expenses on corporate social responsibility (CSR) aggregating to INR 6.20 million for CSR activities carried out during the current year:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	
(i) Gross amount required to be spent by the Group during the year	**6.14**	4.39	
	In Cash	**Yet to be paid in Cash**	**Total**
(ii) Amount spent during the year ending on March 31, 2018:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above			
– Studds Foundation	6.20	-	6.20
(iii) Amount spent during the year ending on March 31, 2017:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above			
– Studds Foundation	4.40	-	4.40

Note No: 36 Related Party Disclosures

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

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

- Alpine Apparel Private Limited (Related Party till 22/01/2018)
  Studds Foundation

Key Management Personnel & their Relatives:

- Mr. Madhu Bhushan Khurana	Chairman
- Mrs. Chand Khurana	Wife of Chairman (Director upto 22/01/2018)
- Mr. Sidhartha Bhushan Khurana	Managing Director
- Mrs. Garima Khurana	Wife of Managing Director (Director upto 22/01/2018)
- Mr. Sanjay Leekha	Director (upto 22/01/2018)

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 36 Related Party Disclosures (contd..)

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2018

(₹ in million)

S. No.	Name of the Party	Nature of Transaction	Year ended 31-Mar-18	Year ended 31-Mar-17
1	**Mr. Madhu Bhushan Khurana**	**Director's Remuneration:**		
		- Short-term employee benefits	15.05	6.95
		- Post-employment benefits	-	-
		Interest on Loan	1.36	1.39
		Dividend	5.36	0.60
		Rent	0.30	0.30
		Loan Taken	-	-
		Loan Repaid	11.57	-
		Loan Receivable/(Payable)	-	(11.57)
		Balance Receivable/(Payable)	(0.06)	(0.18)
2	**Mrs. Chand Khurana**	**Director's Remuneration/Salary:**		
		- Short-term employee benefits	2.73	2.83
		- Post-employment benefits	-	-
		Interest on Loan	0.56	0.65
		Dividend	0.81	0.09
		Rent	0.30	0.30
		Loan Repaid	5.45	-
		Loan Receivable/(Payable)	-	(5.45)
		Balance Receivable/(Payable)	(1.10)	(0.09)
3	**Mr. Sidhartha Bhushan Khurana**	**Director's Remuneration:**		
		- Short-term employee benefits	15.15	11.48
		- Post-employment benefits	-	-
		Dividend	1.34	0.14
		Balance Receivable/(Payable)	(0.19)	-
4	**Mrs. Garima Khurana**	**Director's Remuneration/Salary:**		
		- Short-term employee benefits	1.13	0.49
		- Post-employment benefits	-	-
		Dividend	0.02	0.00
		Balance Receivable/(Payable)	(0.01)	-
5	**Alpine Apparels Private Limited**	**Adavnce given against service contract**	15.00	-
		Advance received back with interest	15.00	-
		Interest received on advance	0.72	-
6	**Stuuds Foundation**	**CSR Expenditure**	6.20	4.14

Terms and conditions of transactions with related parties

The transactions related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs through banking channel. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018 and 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 37 Commitments and Contingencies

(i) Leases

Operating lease: Group as Lessee

The Group has taken buildings under operating lease arrangements. Minimum lease payments under operating leases are recognized on a straight line basis over the term of the lease. Rent expense for operating leases for the year ended March 31, 2018 is as follows:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Rent Expense under Operating Lease	15.64	14.93	12.33

There are no significant restrictions imposed by the lease agreements and there are no sub leases. There are no contingent rents. The operating lease agreements are renewable on a periodic basis. Some of these lease agreements have price escalating clauses.

Operating lease: Group as Lessor

The Group has given immovable property under operating lease arrangements. Minimum lease rentals under operating leases are recognized on a straight line basis over the term of the lease. Rent income for operating leases for the year ended March 31, 2018 is as follows:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Rent Income under Operating Lease	2.22	2.06	1.92

There are no significant restrictions imposed by the lease agreements and there are no sub leases. There are no contingent rents. The operating lease agreements are renewable on a periodic basis. Some of these lease agreements have price escalating clauses.

(ii) Commitments (Net of Advances)

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

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.82	7.66	2.63

(iii) Contingent Liabilities

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Sales tax demand	43.45	-	-
Electricity penal demand	5.69	-	-

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

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

(c) A workman has raised demand notice dt. 30/12/2014 and prayer made that the termination of service is illegal. Manangement has put their defence. Now, the matter is fixed for final arguments.

(d) Another workman had filed a case in the Labour Court Faridabad against the Company regarding a termination of his employment. He was granted 25 % back wages alongwith reinstatement. He filed a Writ Petition in the High Court for enhancement of the back wages alongwith consequential benefits.

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 38 Employee Benefits

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

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Employer's Contribution to Provident Fund & Pension*	14.63	13.69	10.46
Employer's Contribution to ESI*	8.54	6.89	6.17

*Included in Contribution to provident and other funds under Employee Benefits Expense (Refer Note No. 28)

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

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

I. Disclosures in Respect of Gratuity:

(i) Present value of Defined Benefit Obligation:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Present value of obligation as at the beginning	12.73	10.83	8.83
Current service cost	1.57	1.48	1.24
Past Service Cost	-	-	-
Interest cost	0.88	0.86	0.69
Re-measurement (or Actuarial) (gain) / loss	0.52	(0.31)	0.22
Benefits paid	(2.23)	(0.12)	(0.15)
Present Value of Obligation as at the end	**13.48**	**12.73**	**10.83**
Current Liability	**5.73**	**5.79**	**5.04**
Non-Current Liability	**7.75**	**6.94**	**5.79**

(ii) Fair Value of Plan Assets:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Fair Value of Plan Assets as at the beginning	-	-	-
Interest Income	-	-	-
Employer's Contribution	-	-	-
Benefits Paid	-	-	-
Actuarial Gains/(Losses)	-	-	-
Fair Value of Plan Assets as at the end	-	-	-

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Present Value of Obligation at the end	13.48	12.73	10.83
Fair Value of Plan Assets at the end	-	-	-
Amount Recognised in Balance Sheet	**13.48**	**12.73**	**10.83**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 38 Employee Benefits (Contd...)

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Current service cost	1.57	1.48	1.24
Past service cost	-	-	-
Net interest cost on net defined benefit liability	0.88	0.86	0.69
Net benefit expense recognized in statement of Profit and Loss	**2.45**	**2.34**	**1.93**

(v) Amount recognised in Other Comprehensive Income:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Actuarial (Gain)/Loss arising from:			
Effect of experience adjustment (gains)/losses	0.58	(0.45)	0.25
Difference in Present Value of Obligations	(0.06)	0.14	(0.03)
Components of defined benefit costs recognised in other comprehensive income	0.52	(0.31)	0.22

(vi) Funding Pattern

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
	Nil	Nil	Nil

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Discount rate	7.70 % p.a.	7.55 % p.a.	7.97 % p.a.
Attrition Rate	20.00 % p.a.	20.00 % p.a.	20.00 % p.a.
Salary growth rate	10.00 % p.a.	10.00 % p.a.	10.00 % p.a.
Mortality rate	IALM 2006-08	IALM 2006-08	IALM 2006-08

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

(viii) A quantitative sensitivity analysis for significant assumption

(a) Discount rate

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Change in assumption (3 % p.a. increase)			
Impact on defined benefit obligation	(0.97)	(0.87)	(0.69)
Change in assumption (3 % p.a. decrease)			
Impact on defined benefit obligation	1.26	1.12	0.88

Note No: 38 Employee Benefits (Contd...)

(viii) A quantitative sensitivity analysis for significant assumption

(b) Salary growth rate

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Change in assumption (1 % p.a. increase)			
Impact on defined benefit obligation	0.37	0.33	0.26
Change in assumption (1 % p.a. decrease)			
Impact on defined benefit obligation	(0.35)	(0.31)	(0.25)

(c) Attrition Rate

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Change in assumption (3 % p.a. increase)			
Impact on defined benefit obligation	(0.27)	(0.23)	(0.17)
Change in assumption (3 % p.a. decrease)			
Impact on defined benefit obligation	0.28	0.24	0.17

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

(ix) Defined benefit liability and employer contributions

Expected benefit payments are as follows:

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Within the next 12 months	5.92	6.06	5.21
Between 2 and 5 years	8.76	7.95	7.06
Between 5 and 10 years	8.36	7.54	6.06
After 10 years	8.73	7.40	6.93

(x) Risk exposure

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

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

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

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 38 Employee Benefits (Contd...)

(x) Risk exposure (contd..)

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

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Present value of obligation as at the beginning	4.16	3.42	2.17
Current service cost	2.39	2.16	1.82
Interest cost	0.20	0.17	0.09
Re-measurement (or Actuarial) (gain) / loss	1.01	1.09	1.40
Benefits paid	(3.05)	(2.68)	(2.06)
Present Value of Obligation as at the end	**4.70**	**4.16**	**3.42**
Current Liability	**1.35**	**1.26**	**0.93**
Non-Current Liability	**3.35**	**2.90**	**2.49**

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Current service cost	2.39	2.16	1.82
Past service cost	-	-	-
Net interest cost on net defined benefit liability	0.20	0.17	0.09
Re-measurement (or Actuarial) (gain) / loss	1.01	1.09	1.40
Net benefit expense recognized in statement of Profit and Loss	**3.60**	**3.42**	**3.31**

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Discount rate	7.70 % p.a.	7.55 % p.a.	7.97 % p.a.
Attrition Rate	20.00 % p.a.	20.00 % p.a.	20.00 % p.a.
Salary growth rate	10.00 % p.a.	10.00 % p.a.	10.00 % p.a.
Mortality rate	IALM 2006-08	IALM 2006-08	IALM 2006-08

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

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

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Fair Value of Plan Assets at the end	-	-	-
Present Value Obligation at the end	4.70	4.16	3.42
Amount Recognised in Balance Sheet	**4.70**	**4.16**	**3.42**

Note No: 39 Fair Values

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

A. Financial Assets (other than equity investment in subsidiaries carried at cost)

(₹ in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Investments*	0.03	0.03	0.06	0.06	0.06	0.06
Trade Receivables	121.85	121.85	39.68	39.68	84.36	84.36
Cash & Cash Equivalents	171.44	171.44	101.56	101.56	83.65	83.65
Other Bank Balances	468.61	468.61	319.25	319.25	206.78	206.78
Other Financial Assets	8.22	8.22	8.27	8.27	8.06	8.06
Total Financial Assets	**770.14**	**770.14**	**468.83**	**468.83**	**382.91**	**382.91**

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

B. Financial Liabilities

(₹ in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Borrowings	3.51	3.51	24.75	24.75	24.30	24.30
Other Non-Current Financial Liabilities	262.23	262.23	14.79	14.79	13.41	13.41
Current Borrowings	-	-	-	-	-	-
Trade Payables	344.21	344.21	254.18	254.18	281.21	281.21
Other Current Financial Liabilities#	221.43	221.43	114.73	114.73	103.98	103.98
Total Financial Liabilities	**831.39**	**831.39**	**408.44**	**408.44**	**422.91**	**422.91**

including current maturities of non-current borrowings

C. Fair value measurement hierarchy for Assets and Liabilities

Fair value measurement

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

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

Level 1

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

Level 2

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

Level 3

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 39 Fair Values (Contd...)

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

(₹ in million)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Financial Assets			
Financial investments as FVTPL			
Investment in Quoted Shares (Level 1)	0.03	0.06	0.06

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

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

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

Note No: 40 Financial risk management objectives and policies

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

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

Market Risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2018, 2017 and 1st April 2016

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

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

Interest Rate Risk

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

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

(₹ in million)

Particulars	Increase/decrease in basis points	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
INR Loans*	+ 50 Basis Points	(0.00)	-	(0.11)
INR Loans*	- 50 Basis Points	0.00	-	0.11

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

Note No: 40 Financial risk management objectives and policies (Contd...)

Foreign Currency Risk

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

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

Liabilities/Assets	Foreign Currency (Amount in million)		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Liabilities			
USD	0.21	0.17	0.36
EURO	0.08	0.04	-
Assets			
USD	-	0.04	0.01
EURO	0.02	-	0.00

Liabilities/Assets	INR (₹ in million)		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Liabilities			
USD	13.37	11.07	24.52
EURO	6.10	3.04	-
Assets			
USD	-	2.44	0.65
EURO	1.73	-	0.03

Foreign Currency Sensitivity

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

(₹ in million)

Currency	Change in rate	Effect on profit before tax for the year		
		31-Mar-18	31-Mar-17	01-Apr-16
USD	Appreciation in INR by 5%	0.67	0.43	1.19
USD	Depreciation in INR by 5%	(0.67)	(0.43)	(1.19)
EURO	Appreciation in INR by 5%	0.22	0.15	(0.00)
EURO	Depreciation in INR by 5%	(0.22)	(0.15)	0.00

Credit Risk

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

Trade Receivables

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 40 Financial risk management objectives and policies (Contd...)

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

The management believes that the trade receivables as on 31 March 2018, 2017 and 1st April 2016 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

Ageing of Trade Receivables

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
0-6 Months past due	120.97	39.36	84.28
6-12 Months past due	0.69	0.31	0.00
More than 12 months	0.19	0.01	0.08
Total	**121.85**	**39.68**	**84.36**

Balances with Banks

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

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018, 2017, 2016, 2015 & 2014 is the carrying amounts of balances with banks.

Liquidity Risk

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

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

(₹ in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2018				
Non-Current Borrowings	4.14	3.51	-	7.65
Other Non-Current Financial Liabilities	-	262.23	-	262.23
Trade Payables	344.21	-	-	344.21
Other Current Financial Liabilities	217.29	-	-	217.29
Total	**565.64**	**265.74**	**-**	**831.39**

(₹ in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2017				
Non-Current Borrowings	4.00	24.75	-	28.75
Other Non-Current Financial Liabilities	-	14.79	-	14.79
Trade Payables	254.18	-	-	254.18
Other Current Financial Liabilities	110.72	-	-	110.72
Total	**368.91**	**39.54**	**-**	**408.44**

Note No: 40 Financial risk management objectives and policies (Contd...)

(₹ in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 1st April 2016				
Non-Current Borrowings	2.27	24.30	-	26.57
Other Non-Current Financial Liabilities	-	13.41	-	13.41
Current Borrowings	-	-	-	-
Trade Payables	281.21	-	-	281.21
Other Current Financial Liabilities	101.72	-	-	101.72
Total	**385.19**	**37.72**	**-**	**422.91**

Note No: 41 Capital Management

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

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

(₹ in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Borrowings	7.65	28.75	26.57
Trade Payables	344.21	254.18	281.21
Less: Cash and cash equivalents	171.44	101.56	83.65
Net Debt (A)	**180.43**	**181.37**	**224.13**
Equity (B)	**1,186.88**	**874.41**	**638.07**
Net Debt/ Equity Ratio (A/B)	**15.20%**	**20.74%**	**35.13%**

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

Note No: 42 Significant accounting judgments, estimates and assumptions

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

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

A. Judgments

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 42 Significant accounting judgments, estimates and assumptions (contd..)

Operating lease commitments – Group as lessor

The Group has entered into leasing arrangements wherein the Group is receiving lease rental income. The Group has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, lease rental income, fair value of the land, transfer / retention of significant risks and rewards of ownership of land determined the lease as operating leases.

Operating lease commitments – Group as lessee

The Group has entered into leasing arrangements wherein the Group is required to pay monthly lease rentals. The Group has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, lease rental income, fair value of the land, transfer / retention of significant risks and rewards of ownership of land determined the lease as operating leases.

B. Estimates and assumptions

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

(i) Contingent liabilities

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

(ii) Impairment of financial assets

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

(iii) Impairment of Assets

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

(iv) Gratuity benefits

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

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

Note No: 42 Significant accounting judgments, estimates and assumptions (contd..)

(v) Taxes

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

Note No: 43 Distributions made and Proposed

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Amounts recognised as distributions to equity holders:			
Interim Dividend (Including Dividend Tax) (₹ In million) (A)	-	-	9.21
Per Share Dividend (Amount in ₹)	-	-	7.00
Proposed Dividend (Including Dividend Tax) (₹ In million) (B)*	11.86	11.84	1.32
Per Share Dividend (Amount in ₹)	0.50	9.00	1.00
Total Dividend (A+B)	**11.86**	**11.84**	**10.53**

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

* The Company has recommended dividends on equity shares @ 10% on paid up share capital of the company i.e 0.50 per paid up equity share (post subdivision of and Bonus of Shares), are subject to approval at the ensuring annual general meeting and are not recognized as a liability (including Dividend distribution tax thereon) until approved by shareholders.

Note No: 44 Interest In Other Entities

A. Details of Subsidiaries which have been consolidated are as follows:

S. No.	Name of Company	Relationship	Principal Place of Business	% Of Ownership Interest held by Group			% Of Ownership Interest held by Non-Controlling Interest		
				31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
1	M G STEEL LIMITED	Subsidiary	India	-	99.24	99.24	100.00	0.76	0.76

During the year 2017-18, the Company has sold its entire stake in MG Steel Limited (Refer Note No. 45)

B. Non Controlling Interests (NCI)

Set out below the summarised financial information for subsidiary that has non controlling interests that are material to the group

M G STEEL LIMITED (₹ in million

Summarized Balance Sheet	As at 31-Mar-18*	As at 31-Mar-17	As at 01-Apr-16
Current Assets	5.42	3.68	2.33
Current liabilities	0.53	0.30	0.41
Net Current Assets	**4.89**	**3.38**	**1.92**
Non-Current Assets	2.06	2.06	2.06
Non-Current Liabilities	0.42	0.42	0.42
Net Non Current Assets	**1.64**	**1.64**	**1.64**
Net Assets	**6.53**	**5.01**	**3.56**
Accumulated Non-Controlling Interest	**-**	**0.04**	**0.03**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 44 Interest In Other Entities

(₹ in million

Summarised Statement of Profit and Loss	For 31-Mar-18*	For 31-Mar-17	For 01-Apr-16
Total Revenue	2.13	1.90	1.75
Profit for the Year	1.55	1.46	1.33
Other Comprehensive Income	-	-	-
Total Comprehensive Income	**1.55**	**1.46**	**1.33**
Dividend paid to NCI	-	-	-

(₹ in million

Summarised Cash Flows	For 31-Mar-18	For 31-Mar-17	For 01-Apr-16
Cash flow from Operating activity	1.44	1.26	1.13
Cash flow from Investing activity	0.17	0.09	0.07
Cash flow from Financing activity	(0.00)	-	-
Net Increase/(Decrease) In cash & cash equivalents	**1.60**	**1.35**	**1.20**

*During the year 2017-18, the Company has sold its entire stake in MG Steel Limited (Refer Note No. 45)

Note No: 45 Disposal of Investment in Subsidiary

During the year 2017-18, the Company has has sold its entire stake (i.e. 99.24%, no. of shares 77,900) in its subsidiary company i.e. MG Steel Limited w.e.f. March 08, 2018 as a result of which its assets including goodwill, liabilities and non-controlling interest has been derecgnised and profit on disposal has been recognised.

Note No: 46 Specified Bank Notes

The disclosure of the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 by the company as provided in the Table below:

Particulars	SBNs	Other denomination notes
Closing cash in hand as on 08.11.2016	0.36	0.31
(+) Permitted receipts	-	0.76
(-) Permitted payments	-	(0.96)
(-) Amount deposited in Banks	(0.36)	-
Closing cash in hand as on 30.12.2016	**-**	**0.10**

Note No: 47 Events after the reporting period

There are no events to be disclosed after the reporting period.

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION for the year ended 31 March, 2018

Note No: 48 Additional information, as required under schedule III to the Companies Act, 2013, of entities consolidated as Subsidiary / Associates / Joint Venture

Name of Enterprises	2017-18								2016-17							
	Net Asset		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income		Net Asset		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated Profit or loss	Amount (₹ in million)	As % of consolidated Other Comprehensive Income	Amount (₹ in million)	As % of consolidated Total Comprehensive Income	Amount (₹ in million)	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated Profit or loss	Amount (₹ in million)	As % of consolidated Other Comprehensive Income	Amount (₹ in million)	As % of consolidated Total Comprehensive Income	Amount (₹ in million)
Parent																
Studds Accessories Limited	100.00%	1,186.88	99.53%	328.81	100.00%	(0.34)	99.53%	328.47	99.43%	870.25	99.39%	236.01	100.00%	0.20	99.39%	236.01
Subsidiary																
M G Steel Limited*	0.00%	-	0.47%	1.55	0.00%	-	0.47%	1.55	0.57%	4.98	0.61%	1.46	0.00%	-	0.61%	1.46
Total	**100.00%**	**1,186.88**	**100.00%**	**330.36**	**100.00%**	**(0.34)**	**100.00%**	**330.02**	**100.00%**	**875.23**	**100.00%**	**237.47**	**100.00%**	**0.20**	**100.00%**	**237.47**
Add/(Less): Adjustment arising out of consolidation		-	-1.73%	(5.70)	0.00%	-	-1.73%	(5.70)	-0.09%	(0.82)	0.00%	(0.00)	0.00%	-	0.09%	0.20
Total	**100.00%**	**1,186.88**	**98.27%**	**324.66**	**100.00%**	**(0.34)**	**98.27%**	**324.32**	**99.91%**	**874.41**	**100.00%**	**237.47**	**100.00%**	**0.20**	**100.09%**	**237.67**

*During the year 2017-18, the Company has sold its entire stake in MG Steel Limited (Refer Note No. 45)

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March, 2018

Note No: 49 Amendments to existing standards that are not yet effective and have not been adopted by the company

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, the Ministry of Corporate Affairs ("the MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of related asset, expense or income, when an entity has received or paid advance consideration in foreign currency. The amendment will come into force from April 01, 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods:

- Retrospective approach- Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospective approach- Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

The effective date of adoption of Ind AS 115 is the financial year beginning on or after April 01, 2018. The Group will adopt the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

The above statement should be read together with significant accounting policies in Annexure V, restatement adjustments to audited consilidated financial statements in Annexure VI and notes to the Consolidated financial statements in Annexure V.

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

Place: Faridabad
Date: 8th June, 2018

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Kanika Bhutani
Company Secretary

ANNEXURE-VI ADJUSTMENTS TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2018

First Time Adoption

The Consolidated statement of assets and liabilities of the Group as at March 31, 2018 and March 31, 2017 and the Consolidated statement of profit and loss, the Consolidated statement of changes in equity and the Consolidated statement of cash flows for the years ended March 31, 2018 and March 31 2017 and restated other consolidated financial information (together referred as 'Consolidated financial information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

A. Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

(i) Estimates

The estimates at 01 April 2016 and 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

(ii) Derecognition of financial assets

The Group has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS (i.e. April 01, 2016).

(iii) Deemed cost-Previous GAAP carrying amount (PPE and Intangible Assets)

Property Plant & Equipment and Intangible assets- As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 01, 2016 for all the items of property, plant & equipment and intangible assets.

(iv) Arrangements containing a lease

For leases of both land and building elements, the Group has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 01, 2016) to Ind AS on the basis of the facts and circumstance existing as at that date.

(v) Investment in subsidiary

The Group has elected this exemption and opted to continue with the carrying value of investment in subsidiary as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

(vi) Business combinations:

Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before April 01, 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Ind AS financial information for the year ended March 31, 2016, 2015 and 2014, the Group has continued with the existing exemption on the date of transition (i.e. April 01, 2016) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101..

ANNEXURE-VI ADJUSTMENTS TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2018

B. Reconciliations between previous GAAP and Ind AS

Reconciliations between previous GAAP and Ind AS Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Reconciliation of Equity

(₹ in million)

Particulars	Notes	As at 31-Mar-17	As at 01-Apr-16
Equity as reported under previous GAAP		861.78	635.70
Ind AS: Adjustments:			
Proposed Dividend: Adjustment reflect final dividend (including corporate dividend tax) declared and approved post reporting period	1	11.84	1.32
Effect of Investment in Instruments carried at fair value through Profit and Loss	2	(0.02)	(0.03)
Actuarial Valuation of Gratuity and Leave Encashment	4	0.88	1.15
Misc. expenses written off	5	(0.04)	(0.04)
Minority Interest	6	(0.03)	(0.02)
Equity as reported under Ind AS		**874.41**	**638.07**

(ii) Reconciliation of Profit

(₹ in million)

Particulars	Notes	Year ended 31-Mar-17	Year ended 01-Apr-16
Profit as reported under previous GAAP		237.93	245.15
Ind AS: Adjustments increase (decrease):			
Effect of Investment in Instruments carried at fair value through Profit and Loss	2	0.01	(0.02)
Actuarial Valuation of Gratuity and Leave Encashment	4	(0.47)	1.79
Profit for the year		237.47	246.92
Other comprehensive income (net of tax)	3	0.20	(0.14)
Total comprehensive income under Ind AS		**237.67**	**246.78**

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the above reconciliation starts with profit under previous GAAP.

(iii) Reconciliation of Cash Flow

There were no significant item between Cash Flows prepared under Indian GAAP and those prepared under Ind AS.

ANNEXURE-VI ADJUSTMENTS TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2018

Note-1: Proposed Dividend

Under the previous GAAP, proposed dividend including corporate dividend tax (CDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as liability in the period in which it is declared by the Company, usually when approved by the shareholders in a Annual general meeting, or paid.

Note-2: Fair Valuation of Investments

The Group has valued investments in equity shares (other than Investment in Subsidiary which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in the opening reserves and changes thereafter are recognised in the Statement of Profit and Loss.

Note-3: Remeasurement gains/loss on defined benefit plan

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in OCI.

Note-4: Actuarial Valuation of Gratuity and Leave Encashment

Under the previous GAAP, the Group had booked liability for Gratuity & Leave Encashment on the basis of management's estimate rather than on the basis of Accounting Standard- 15 "Employee Benefits". Now the Group has recorded the liability in accordance with Ind AS 19 "Employee Benefits". Further, under IGAAP entire amount for Gratuity and Leave Encashment was treated as Non-Current, now the same has been divided between Current and Non-Current as per Actuarial Report.

Note-5: Minority Interest

Minority Interest was clerically incorrectly calculated, the same has been rectified.

ANNEXURE-VII CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

for the year ended 31 March, 2018

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01-Apr-16
Basic and Diluted Earnings per Share (₹)	16.50	12.07	12.55
Return on Net Worth (%)	27.35%	27.16%	38.70%
Net asset value per equity share (₹)	1,085.74	799.90	583.70
Weighted average number of equity shares for Basic and Diluted Earnings Per Equity Share	19,676,700	19,676,700	19,676,700
Net Profit after tax, as restated	324.66	237.47	246.92
Equity Share Capital (₹ In million)	10.93	10.93	10.93
Other Equity (₹ In million)	1,175.95	863.48	627.14
Net Worth (Total Equity) (₹ In million)	1,186.88	874.41	638.07

Notes:

1. The ratios on the basis of Restated financial information have been computed as below:

Basic Earnings per share (₹) = $\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$

Diluted Earnings per share (₹) = $\frac{\text{Net profit as , attributable to equity shareholders}}{\text{Weighted average number of potential equity shares outstanding during the year}}$

Return on net worth (%) = $\frac{\text{Net profit as , attributable to equity shareholders}}{\text{Net worth at the end of the year}}$

Net Asset Value (NAV) per equity share (₹) = $\frac{\text{Net worth, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.

3. Earning per Share(EPS) calculation is in accordance with the notofied Indian Accounting Standard (Ind AS) 33 'Earnings Per Share' prescribed by the Companies (Indian Accounting Standards) Rules,2015.

4. Net Worth = Equity share capital + Other equity

5. Subsequent to March 31, 2018, the Board of Directors of the Company, in its meeting held on 08th June, 2018, have recommended to the members for split of equity shares of ₹10/- each to ₹5/- each, subject to approval by the members of the company.

   Further, the Board have also recommended to the members for the issue and allotment of bonus shares in the ratio of 8 (eight) equity shares for every 1 (One) equity share (post split) held by the equity shareholders of the Company, subject to approval by the members of the company.

6. Net Worth means the aggregate value of paid up share capital of company and all reserves created out of profits and securities premium account as pre consolidated statement of assets and liabilities of the company.

7. The above ratios have been computed on the basis of the Consolidated Financial Information.

   The above statement should be read together with significant accounting policies in Annexure V, adjustments to audited consilidated financial statements in Annexure VI and notes to the Consolidated financial statements in Annexure V.

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 or associate companies or joint venture

Part- A Subsidiaries

(In ₹)

1. Name of the Subsidiary Company	M G Steel Limited
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting Period is 1st April, 2017 to 8th March, 2018
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	No Foreign Subsidiary Company.
4. Share capital	7,85,000
5. Reserves and surplus	42,29,775
6. Total assets	75,17,021
7. Total Liabilities	75,17,021
8. Investments	Nil
9. Turnover	19,59,552
10. Profit before taxation	21,13,572
11. Provision for taxation	NIL
12. Profit after taxation	15,49,384
13. Proposed Dividend	NIL
14. Extent of shareholding (in percentage)	99.24 %

Notes:

1. Investment in subsidiary, MG Steel Limited has been sold by the company on 8th March 2018 and MG Steel Limited ceases to be our subsidiary post 8th March 2018.
2. Neither it had Associates nor Joint Ventures during the financial year 2017-18 so Part B is not applicable on the Company.

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

Place: Faridabad
Date: 8th June, 2018

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Director
DIN: 07094705

Sanjay Sethi
Chief Financial Officer

Kanika Bhutani
Company Secretary

STUDDS ACCESSORIES LIMITED

Corporate Identification No.: U25208HR1983PLC015135
Regd. Office: 23/7, Mathura Road, Ballabgarh,
Faridabad-121004, Haryana, India **Tel.:** 0129-4296500
Email: Secretarial@studds.com / **Website:** www.studds.com

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Members of STUDDS ACCESSORIES LIMITED will be held on Friday, 28th September 2018 at 4:00 P.M. at Hotel Delight Grand, A-5/B, Neelam Bata Road, Faridabad-121001, Haryana, India to transact the following business:

Ordinary Business

1. **To receive, consider and adopt**

   a. The Audited Standalone Financial Statements of the Company for the Financial Year 2017-18, together with Report of the Auditors and Directors thereon.

   b. The Audited Consolidated Financial Statements of the Company for the Financial Year 2017-18, together with Report of the Auditors thereon.

2. **To declare Final Dividend of ₹ 0.50 per Equity Shares (i.e. 10% on Paid up Value of ₹ 5/- each) for the Financial Year 2017-18.**

3. **To appoint a Director in place of Mr. Madhu Bhushan Khurana (DIN : 00172770), who retires by rotation and being eligible, offers himself for re-appointment.**

4. **To Re-appoint Statutory Auditors**

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

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification or re-enactment made thereto for the time being in force) on the recommendation of Audit Committee M/s. Rajan Chhabra & Co., Chartered Accountants (FRN.009520N) who were appointed as the Statutory Auditors of the Company in casual vacancy till the date of this Annual General Meeting , be and is hereby re-appointed as Statutory Auditors of the Company to hold the office from the conclusion of 36th Annual General Meeting of the Company (AGM) until the Conclusion of 41th Annual General Meeting of the Company (AGM) and the Board of Directors be and is hereby authorized to fix their remuneration as may be recommended by the Audit Committee in consultation with the Auditors"

Special Business

5. **Appointment of Mr. Pankaj Duhan (DIN 08093989) as an Independent Director**

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

   "RESOLVED THAT pursuant to Section 149,152 read with Schedule IV and other applicable provision, if any, of the Companies Act 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment made thereto for the time being in force), Mr. PANKAJ DUHAN (DIN 08093989), who was appointed as an Additional Director in the Board Meeting held on 9th April 2018 and whose tenure of office will expires at ensuing Annual General Meeting, and in respect of whom the Company has received a notice of candidature in writing under Section 160 from a Director himself ,be and is hereby appointed as Independent Director of the Company not liable to retire by rotation to hold office for a term of 5 years with effect from 09th April, 2018 upto 08 April, 2023"

6. **Alteration of Article of Association of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, Consent of the Company be and is hereby obtained for the deletion of existing of Clause 194 of the Article of Association of the Company and insertion of following new Clause 194 of the Article of Association of the Company in substitution thereto-

   "194. Managing Director is liable to retire by rotation

   Subject to the resolution passed by the shareholders, a Managing Director or Joint Managing Director may also, while he continues to hold that office, be subject to retirement by rotation but he shall, as per the terms of any contract between him and the Company, be subject to the same provisions as to resignation and removal as applicable to the Directors of the Company, and if he ceases to hold the office of Directors from any cause shall ipso facto and immediately cease to be Managing Director."

RESOLVED FURTHER THAT Mr. Sidhartha Bhushan Khurana, Managing Director of the Company be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary to give effect to this resolution"

By order of the Board
For **STUDDS ACCESSORIES LIMITED**

(Mr. MADHU BHUSHAN KHURANA)
Chairman and Managing Director
DIN 00172770
1349, SECTOR-14,
FARIDABAD-121007,
Haryana

Place: Faridabad
Date: 18th August, 2018

NOTE

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER.

   PURSUANT TO PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013 AND RULES MADE THERE UNDER, A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.

   A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE HOLDER OF PROXY SHALL PROVE HIS/HER IDENTITY AT THE TIME OF ATTENDING THE MEETING.

2. Attendance slip and Proxy Form attached herewith forming part of Notice.

3. The enclosed proxy form, duly completed, stamped and signed, must reach at the Registered Office not later than 48 hours before the scheduled time of the Meeting.

4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members entitled to vote would be entitled to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing is given to the Company.

5. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting in terms of Section 113 of the Companies Act, 2013.

6. The relevant Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of Item No. 5 as set out above is appended herein below.

7. The voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Record Date i.e. 21st September 2018.

8. The Final Dividend of ₹ 0.50/- per equity share, i.e.@ 10% on the paid-up share capital, for the year 2017-18, as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 (thirty) days from the date of declaration, to the members whose names appear in the register of members as on the Record Date i.e. 28th September 2018.

9. Brief profile & other details of the director proposed to be appointed, as required under Secretarial Standards (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government, is annexed in Annexure- A to the Notice.

10. Members are requested to notify all the changes, if any, in their addresses/particulars to the Company.

11. Members desiring any information/clarification on the accounts are requested to write to the Company at least 10 days in advance, so as to enable the management to keep the information ready at the Annual General Meeting.

12. All relevant documents referred to in the Notice will be available for inspection at the Company's registered office during business hours on working days upto the date of AGM.

13. Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of Investor Education and Protection Fund (IEPF) Authority all shares in respect of which dividend has not been claimed for 7 (seven) consecutive years or more.

14. In accordance with the aforesaid provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has initiated necessary actions for transfer of the shares in respect of which dividend declared has not been claimed by the members for 7 (seven) consecutive years or more. Members are advised to visit the web-link: http://www.studds.com/Home/InvestorRelation# to ascertain details of shares liable for transfer to the IEPF Authority.

15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013, Register of Member and any other register, or documents required by law, will be made available for inspection by Members of the Company at the venue of the meeting.

16. Route Map showing directions to reach to the venue of the 36th AGM along with prominent land mark is given at the end of the Notice.

By order of the Board
For **STUDDS ACCESSORIES LIMITED**

(Mr. MADHU BHUSHAN KHURANA)
Chairman and Managing Director
DIN 00172770
1349, SECTOR-14,
FARIDABAD-121007,
Haryana

Place: Faridabad
Date: 18th August, 2018

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Mr. Pankaj Duhan (DIN: 08093989) as an Additional Director to be designated as an Independent Director of the Company, with effect from 09th April, 2018, pursuant to the provisions of Section 149, 161(1) of the Act and the Articles of Association of the Company.

Mr. Pankaj Duhan who fulfill the criterion of Independent Director and his tenure of office expires at the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and Company has received a notice for candidature from Director himself for the office of Director of the Company under the provisions of Section 160 of the Companies Act, 2013.

Further, The Board of Directors of the Company recommends the Regularisation of the appointment of Mr. PANKAJ DUHAN (DIN 08093989) as an Independent Director of the Company, and is of the opinion that Mr. PANKAJ DUHAN fulfills the conditions specified in the Act & Rules made there under to be eligible to be appointed as Director of the Company.

The Company has received from MR. PANKAJ DUHAN, consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164 (2) along with the request disclosure as required under Section 149 of the Companies Act, 2013.

A Copy of draft letter of appointment of Mr. Pankaj Duhan setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Mr. Pankaj Duhan is interested in the Ordinary Resolution set out at Item No. 5 with respect to his appointment. The relative(s) of Mr. Pankaj Duhan may be deemed to be interested in the said Resolution to the extent of their shareholding interest, if any, in the Company.

None of Director or Key Managerial Person of the Company or their Relative is in any way concerned or interested in the said Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 to the Notice.

Item No. 6

In order to have optimum number of Rotational Directors in the Company in conformity to the requirements of the Companies Act, 2013, Clause 194 of the Articles of Association of the Company must be amended. In terms of Section 14 of the Companies Act, 2013, alteration of the Articles of Association can be effective only by passing a Special resolution and accordingly, consent of the members is sought for passing Special resolution as set out at Item No. 6 of the Notice for alteration of Articles of Association of the Company. A draft of the amended Articles of Association will be available for inspection by the members at the Registered Office of the Company between 11.00 a.m. to 01.00 p.m. up to the date of Meeting of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the notice.

The Board recommends **special resolution** set out at Item No. 6 of the Notice for approval by the members.

By order of the Board
For **STUDDS ACCESSORIES LIMITED**

(Mr. MADHU BHUSHAN KHURANA)
Chairman and Managing Director
DIN 00172770
1349, SECTOR-14,
FARIDABAD-121007,
Haryana

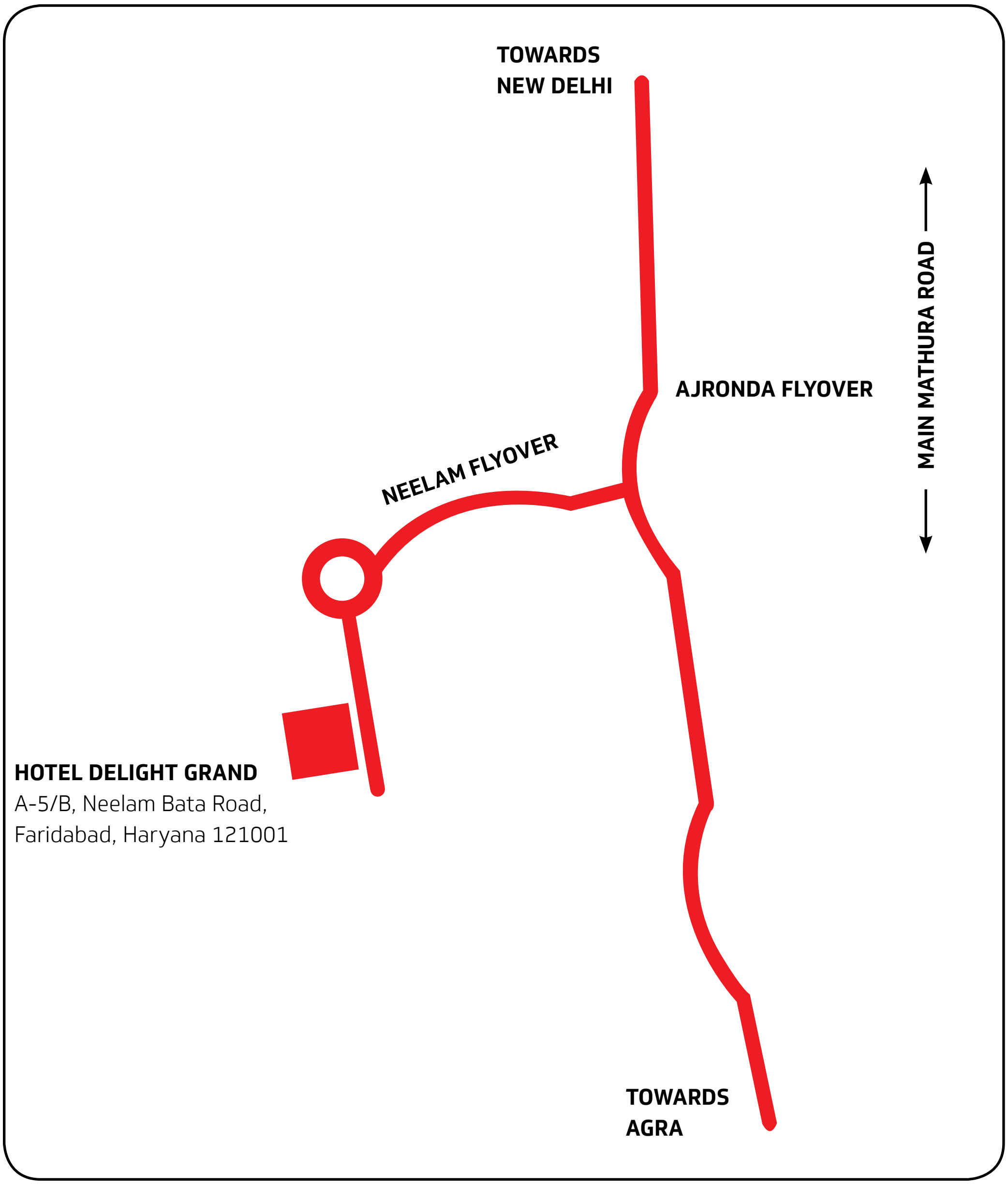
Place: Faridabad
Date: 18th August, 2018

Annexure- A

DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT / RE-APPOINTMENT AT ANNUAL GENERAL MEETING

Particulars	Mr. Pankaj Duhan
DIN	DIN 08093989
Date of Birth	23.02.1977
Age	41
Qualification	Bachelor's degree in engineering (electronics and electric communication) from Punjab Engineering College and a master's degree in management from the Indian Institute of Management, Ahmedabad.
Experience (including expertise in specific functional area)/Brief Resume	He was associated with Procter & Gamble Europe SA, Singapore for more than a decade, where he has held the position of a brand director, among others. At present, he is a marketing director (South Asia - Health) at Reckitt Benckiser
Terms and Conditions of Appointment / Reappointment	As mentioned in the Board resolution dated 09.04.2018
Existing and Proposed Remuneration (including sitting fees, if any)	Entitled to get the sitting fee @ ₹ 5000 for attending the Meeting of Board or committee thereof.
Date of first appointment on the Board	09.04.2018
Shareholding in the Company as on March 31, 2018	N.A
Relationship with other Directors/Key Managerial Personnel	N.A
Number of meetings of the Board attended during the financial year 17-18	N.A, joined in financial year 18-19
Directorships of other Boards as on March 31, 2018	NIL
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	NIL

STUDDS ACCESSORIES LIMITED



STUDDS ACCESSORIES LIMITED

Corporate Identification No.: U25208HR1983PLC015135
Regd. Office: 23/7, Mathura Road, Ballabgarh,
Faridabad-121004, Haryana, India **Tel.:** 0129-4296500
Email: Secretarial@studds.com / **Website:** www.studds.com

ATTENDANCE SLIP

Folio No./ DP ID/ Client ID :

Number of Shares held:

Name and Address of the Member:

I certify that I am a member/proxy for the shareholder of the Company.

I hereby record my presence at the 36th Annual General Meeting (AGM) of the Company held on Friday, 28th September, 2018 at 4:00 P.M. Hotel Delight Grand, A-5/B, Neelam Bata Road, Faridabad-121001, Haryana, India.

Name & Signature of Member/Proxy

Note:

1. Please complete the Folio/DPID – Client ID No., Name and address, sign the Attendance slip and hand it over at the entrance of the Meeting Hall. Joint member may obtain additional Attendance Slip at the venue of the meeting.
2. Physical copy of Notice of the AGM along with Attendance Slip and proxy form is sent in the permitted mode(s) to all member

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Form No. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s): --

Registered address:--

E-mail ID:---Folio No. (DP ID and Client ID): ---

I/We being the Member(s) of STUDDS ACCESSORIES LIMITED holding --- share here by appoint

1) Name:---address---

e-mail id---Signature--------------------------------------or failing him/her;

2) Name:---address---

e-mail id---Signature--------------------------------------or failing him/her;

3) Name:---address---

e-mail id---Signature--------------------------------------or failing him/her;

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of members of the Company to be held on Friday 28th September 2018 at 4:00 P.M. Time at Hotel Delight Grand, A-5/B, Neelam Bata Road, Faridabad-121001, Haryana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above Proxy to vote in the manner as indicated in the box below:

S.N.	Resolutions	For	Against
1.	To receive, consider and adopt Standalone and Consolidated Financial Statement for the Financial Year 2017-18.		
2.	To Declare Final Dividend @ 10% (0.50 per Share) for the Financial Year.		
3.	To appoint a Director in place of Mr. Madhu Bhushan Khurana, who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To Re-appoint Statutory Auditors.		
5.	Appointment of Mr. Pankaj Duhan (DIN 08093989) as an Independent Director.		
6.	Alteration of Article of Association of the Company		

Signed this ....day of...............2018.

Affix
Revenue
stamp

Signature of the shareholder

Signature of First Proxy holder   Signature of Second Proxy holder   Signature of Third Proxy holder

Reference Folio No./DP ID & Client ID* No. of Shares

Notes:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

(3) Pursuant to the provisions of Section 105 of Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

(4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all there solutions, your Proxy will been titled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

NOTES

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Disclaimer

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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