SMK HELMETS

STUDDS

Studds Accessories Limited Annual Report 2018-19

UNLOCKING OPPORTUNITIES.

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Cautionary statement

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

HIGHLIGHTS, FY19

Financial capital

₹3890.40 million
Revenue from operations

2.44 times
Asset turnover ratio

Sustained growth

39
Countries of presence

₹ in million
Capital investments over the last five years

2015	108.09
2016	167.12
2017	120.79
2018	562.56
2019	688.82

0.47%
Debt-equity ratio in FY19

21.10%
Net sales CAGR growth over the last five years

37.11%
EBIDTA CAGR growth over the last five years

STUDDS IS THE WORLD'S LARGEST TWO-WHEELER HELMET MANUFACTURING COMPANY.

But more than just a helmet manufacturing company.

We are a business entity engaged in creating a piece of safety, driven by style and comfort. Unlocking new possibilities.

We aim to

Create a safer riding experience for the millions of our customers.

We do this by

Unlocking new opportunities in terms of new and improved product offering. By venturing into new geographies.

We foster a culture of innovation

Which helps shaping ideas and develop world-changing products.

We live by our values

What we do is as important as how we do. Going beyond the financial numbers we aim to make our products that are unmatched with highest safety standards.

We are defined by the role we play

Build deeper relationships with consumers worldwide by encouraging them to live, ride and thrive.

We look to create a platform for growth

By delivering on our commitments.

We help our customers

In creating memorable journeys.

STUDDS AT A GLANCE

Making the journey of a thousand miles safer for the bikers.

Since 1983 or should it be since our inception, we have imagined a safer and better world for the biker community. Every day, we strive to help hundreds of thousands of bikers around the world, believing that together we can invest to make a difference in riding experience. At the heart of our business is our vision – our passion drives us to provide new innovative yet safe solutions enriching their riding experience.

With more than 25.66% as per FnS Report FY18 market share in India, Studds Accessories Limited (SAL) is the largest helmet manufacturer in the world. Carrying a rich legacy of more than three decades, SAL has grown from strength to strength over the years. Today, SAL is one of the most respected and largest business entities within its industry space and is well positioned to capitalize on new regions and innovative technologies that expand product options for consumers around the world.

Driven by the overarching objective of providing innovative and top-of-the-line quality products across all its product range, today, the company has evolved to become a one-stop shop for ones all helmets and motorcycle accessories needs.

Truly a multi-product, multi-location and multi-market company, the Company today has 3 operational and one under construction in Faridabad, Haryana. Backed by a strong portfolio of more than 50 products and a strong dealer network, the two major brands of the Company STUDDS and SMK are synonymous to quality two-wheeler helmets.

World's largest helmet manufacturer

5.89 million
Helmets manufactured in year 2018-19

39 countries
Of product presence

Business segments

Helmets

Motorcycle accessories

WHAT MAKES US DIFFERENT?

Maximum flexibility and economies of scale.

An integrated and automated manufacturing set-up ensuring **highest standards** of quality.

Continuously growing volumes with **strong financial** discipline ensuring highly favorable debt-equity ratio.

Long-term relationships with broad base of suppliers and customers.

Entrepreneurial culture: employees empowered to make decisions.

OUR PRESENCE

Argentina	Kuwait
Austria	Maldives
Bangladesh	Netherlands
Bhutan	Nepal
Burkina faso	Norway
Belarus	Pakistan
Behrin	Panama
Cambodia	Philippines
Chile	Poland
Costa Rica	Portugal
Denmark	Qatar
Dubai	Rwanda
El Salvador	Senegal
France	Singapore
Germany	Spain
Guatemala	Sri Lanka
Israel	Turkey
India	Uganda
Italy	USA
Jamaica	

Corporate office: Faridabad, India

Presence in India

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

Studds' performance has strengthened over the past year, demonstrating the success of our strategy, our drive for innovation and the increasing focus we have been placing on engaging both our clients and consumers.

Dear Shareholder's

Over the years, the Company grew from being a relatively small-sized trading business to emerging as a corporate of considerable scale: we grew from ₹ 410.02 million in revenues in 2009-10 to ₹ 3890.40 million in 2018-19. During this decade, the Company reported a compounded annual growth in revenues at a rate of 28.4%. Credit for this exceptional performance can partially be ascribed to the fact that we were small, took decisions with speed and lead the market through pioneering product innovations. The purpose of everything we do is to serve our customers better. We keep our organization work culture agile to ensure quick responses and minimize bureaucratic delays.

The result of this attitude is that we have emerged as the largest helmet manufacturing company in the world. We have no hesitation in stating that we outperformed the market because of an unswerving commitment towards fostering the spirit of a small-sized corporation within the body of a medium-sized corporation.

From a macro prospective, the Indian two-wheeler industry was under pressure for a major part of FY19 and was marked by periodic swings in demand caused by a confluence of different micro-economic factors. The total two-wheeler sales for FY19 (from August 2018 to March 2019) stood at 2,11,81,390 units and recorded only a 4.86 percent growth over the previous year. Factors such as an all-time high unemployment rate, a severely hit service industry, lack of liquidity due to the debacle in the non-banking financial company (NBFCs) sector, high insurance costs and rising fuel prices have hurt the demand sentiment. (*Source: Data released by Society of Indian Automobile Manufacturers (SIAM)*)

Despite volatilities, Studds did well in FY19 and achieved double digit growth. For us it was another year of commendable performance where we grew our topline by 19% and our bottom-line by ~28%. Reflecting the strength of our uniquely diversified business model and commitment of our people, we achieved these results in a challenging operating environment, marked by deteriorating market sentiment.

This year's performance demonstrates the outcomes of consistent and rigorous execution of our strategy and is testimony to the belief we have in our business. As part of our core strategy, we continued to focus on expanding our markets, and, in line with this tenet, we entered several new markets during the year. This not only helped us in mitigating the geographical risk but also helped us gain insight into the changing tastes of our customers. As part of our strategy, we continued to focus on the replacement market and enhanced our presence there. This is owing to the fact that it is largely an unexplored area and its market size is much larger than that of the new helmet.

One of our biggest achievements of the year was getting our bicycle helmets plant operational,. With a production capacity 1.5 million helmets per year, it is likely to expand our revenue stream for the company . The plant became operational in the first quarter of FY20 and will help us serve a large customer base across the globe.

With an already established distribution network, the Company focused on further extending its dealer and distributor count, both in the domestic and international markets. We also focused on getting closer to and enhancing relations with our dealers and distributors, which resulted in an increased market share. Thus, today Studds has a presence in almost all the continents, with a total dealer count of 373 as on 31st March 2019. In line with our strategy to leverage our brand value, the Company opened one new Exclusive Brand Outlets (EBOs) during the year at Dehradun and is in the process of opening 5 more EBO's at Rohtak, Cochin, Mumbai, Bangalore and Vijyawada. This helps the Company showcase a balanced mix of products to its customers and enhance the share of value-added ones. We plan to open 10 more such exclusive stores across India by next year, across India.

During the year, the benefits of our ongoing investments have become increasingly visible in the form of improved business momentum. An important reason for this is our commitment to innovation and the steps we have taken to remain at the forefront of what is a rapidly changing environment. Innovation is a significant driver of growth for Studds, and we launched a number of new products and revamped several old ones during the year. As part of this approach, we also made the production of EPS (Expandable Polystyrene) an in-house process, and it is now produced in our new plant. EPS is the most important safety aspect of the helmet. Previously, the production of this was outsourced. We have now, finally, been able to convert it to an in- house process, which also enables us to take better control of the quality factor. It's a big step towards quality improvement. It also enables us to decide how to produce the product and helps us in innovating new techniques and processes. We are working on techniques, which will make our helmets safer, and yet lighter, compared to what it was previously. This is likely to help us further expand our market, as it has been observed that there is a growing demand for lighter helmets. Thus, with this technique we are likely to make lighter helmets without compromising quality.

Further we also focused on enriching our accessories segment during the year. To increase the visibility of our accessories segment we introduced several new products during the year. We plan to further strengthen the segment by introducing new products like riding gear,jackets, armours, elbow guard, knee guard, shoes and extend our existing portfolio in the year ahead.

Owing to all these initiatives, the impact of the slowdown of the auto industry was negligible on our performance.

In FY19, the different strategies adopted by the Company helped us increase our adjusted revenue by 18.7% to ₹ 3890.40 million from ₹ 3277.26 million in FY18. We sold 5858208 helmets and 515943 motorcycle boxes during the year. Recorded a high EBITDA margin of 18.48% 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 ₹ 411.72 million in FY19 compared to ₹ 328.81 million in the previous financial year.

Studds' performance has strengthened over the past year, demonstrating the success of our strategy, our drive for innovation and the increasing focus we have been placing on engaging both our dealers and consumers. The investments we have made in the past years will continue to power our performance. The consistent execution of strategy has delivered further progress this year and the management remains fully committed to building long-term value. Looking ahead, we will continue to build on these foundations. I would like to thank everyone at Studds for their hard work over the past year and look forward to an exciting future.

Regards

Madhu Bhushan Khurana
Chairman And Managing Director

OUR BUSINESS MODEL

Studds is a global leader in two-wheeler helmets with a portfolio of iconic brands.

We use our local and global market expertise to identify and deliver against the most valuable growth opportunities.

We have a broad portfolio across categories and price points and our products are available in more than 39 countries.

Our global supply capabilities enable us to manufacture and distribute our brands efficiently and effectively.

Our portfolio and geographic reach enable us to deliver sustainable performance and create value for our shareholders.

We are passionate about our role in society and the responsibility we have to our stakeholders, communities and the environment.

The consumer is at the heart of our business. We aim to build and sustain a strong brand portfolio that create a positive impact and helps us stay ahead of competition.

Our organisation is structured in a market-based model. This means we have greater agility and can better apply our strategy in different markets to meet the varied needs of our consumers. It also enables us to quickly identify and act on consumer trends to support growth.

The four key elements of our business strategy

We make

We are the makers of safety critical helmets and accessories for bike riders and cyclers, committed to the highest quality standards in terms of safety measures and design.

We innovate

Led by consumer insights, we unlock new opportunities by bringing new features to our products. We innovate with new offerings that meet changing consumer demands.

We empower

We invest in building an empowered team that drives the organization ahead, keeping it relevant in a competitive landscape.

We sell

We extend our sales reach through leading activations and advocacy to ensure our brands are part of our customers daily lives around the world.

MEASURING OUR SUCCESS IN FINANCIAL TERMS

Major financial highlights, FY19

Revenue

₹ **3890.40** million
Growth 18.7%
FY18: ₹ 3277.26 million

PAT

₹ **411.72** million
Growth 25.21%
FY18: ₹ 328.81 million

PAT margin

10.36 %
Growth 7.7 bps
FY18: 9.62 %

EBIDTA

₹ **734.04** million
Growth 27.51%
FY18: ₹ 575.66 million

EBIDTA margin

18.48 %
Growth 9.74 bps
FY18: 16.84 %

Cash profit

₹ **471.54** million
Growth 18 %
FY18: ₹ 399.29 million

EPS (Basic)

₹ **20.92**
Growth 25.19 %
FY18: ₹ 16.71

NUMBERS THAT MATTER

Adjusted Revenue from operation
(₹ million)

2015	1808.79
2016	2568.02
2017	2722.71
2018	3277.26
2019	3890.40

EBIDTA
(₹ million)

2015	203.44
2016	429.75
2017	422.59
2018	575.66
2019	734.04

Profit for the year
(₹ million)

2015	103.51
2016	245.59
2017	236.01
2018	328.81
2019	411.72

Basic Earnings per share*
(₹)

2015	5.26
2016	12.48
2017	11.99
2018	16.71
2019	20.92

Net worth
(₹ million)

2015	408.32
2016	635.35
2017	870.25
2018	1186.88
2019	1579.90

*The company at the EGM held on July 07, 2018 approved split of Equity share of ₹ 10 each into two Equity share of ₹ 5 each and issue of 8 Equity share for each share held. Effect of split and Bonus has been considered while computing Equity per share in accordance with Ind AS33 "Earning per share"

We are

WELL POSITIONED FOR THE FUTURE

HOW?

By continuously **improving** our growth potentials

We continually invest in product **innovation** to address new market opportunities.

We have developed **long-term** relationships with our dealers and distributors, unique in our industry, which provide a **strong base** from which to grow.

We have an established **loyal and trusted** customer base which can help us introduce new products in the market.

We are **expanding** our offerings in the ancillary segments such as motorcycle accessories.

Our business model is **scalable**, so we can grow quickly with low incremental cost.

We achieve significant synergies across our operations by **automating** processes and using **technology** to secure competitive advantage.

NEW PRODUCT LAUNCHES DURING THE YEAR 18-19

Eldorado Jet GL130

Eldorado Jet MA230

Eldorado Jet Mehendi MA240

Eldorado Jet Seven GL720

Eldorado Jet Seven MA260

Eldorado Seven GL130

Glide Kyren MA263

Glide Kyren MA268

Stellar Bolt MA231

Twister Twilight GL241

Twister Wraith GL153

URBAN BLACK

URBAN PINK

Unlocking opportunities.

DIVERSIFYING TO DRIVE GROWTH.

Studds and SMK have evolved as one of the top two wheeler Helmet brand globally.

Thereafter, the company evolved its personality into motorcycle accessories segment.

Studds has entered into the field of Bicycle Headgear.

The business does not represent an unrelated diversification; it represents a synergic extension for a good reason.

Rising emphasis on the use of non-polluting vehicles for short distance commutes by the governments across the world is anticipated to positively influence the market growth of bicycles.

The global bicycle market is growing significantly as bike sharing companies, particularly in Europe and Asia, are investing aggressively in expanding their operations.

1.5 million

Total expected bicycle helmet production in a year

Unlocking opportunities.

BY ENTERING NEW GEOGRAPHIES.

As the largest helmet manufacturer in the world, we believe that by venturing into new markets at regular intervals we can sustain our growth momentum along with our leadership position.

It acts as a critical driver of success in a competitive global industry. The ability of a company to keep finding new markets and customers, helps the company in growing it's revenues at an attractive pace.

With the global helmet market being largely fragmented despite being huge, there are ample opportunities for the players to grow and expand in the new and emerging economies of the world, where growth is much higher compared to the matured ones.

In line with this strategy, the Company entered various new markets like Columbia, Mexico and some African Countries. Meanwhile the company also reinforced its presence in other markets where its present.

A continuously growing international presence not only adds value to the Company's brand image. But is also enables the Company in raking in more profits along with substantially de-risking it's business from an excessive dependence on a handful of geographies.

Unlocking opportunities.

BY FOCUSING ON INNOVATION AND RESEARCH & DEVELOPMENT

Continuous innovation and R&D in terms of design and safety features are critical for our competitiveness.

Innovation, supported by our talented people, and by research and development, plays a key role in supporting Studds business performance.

We continue to make great progress in building a culture of continuous innovation and in line with this tenant the Company continued to invest substantially in R&D during the year.

We expanded our in-house R&D team during the year along with further enhancing the scope of R&D in the new plant.

To meet the various needs of our customers, our endeavour has been to focus and invest substantially in research and development activities.

We have invested ₹ 13,075,834 during the year FY 18-19 towards research and development activities, employing a team of 20 highly experienced exclusively for such activities.

With our R&D efforts we have offered our customers pioneering products. We focus on in-house research and product development to develop innovative solutions.

Making a difference.

BY CREATING VALUE FOR OUR SOCIETY

Studds has committed itself to serving the community by leveraging its talents, resources and networks. Our community involvement focus during the year demonstrates our care towards the youth, the underprivileged, the environment and the society at large

We are working to ensure that our company contributes in creating a better and more prosperous society, as well as protecting people and our planet. We work relentlessly to improve the quality of life in the communities in which we operate. As a part of this strategy we formed STUDDS Foundation. The Foundation was set up to cater to and support weaker sections of society in the fields of education, healthcare, environment and holistic development.

Some of the major projects and activities undertaken by the Foundation are detailed below.

Development and maintenance of parks and playground

STUDDS Foundation has taken on the responsibility of converting 5 acres of land allotted by HUDA for parks in the city of faridabad, into a lush and green space. Located in Sector 58, Ballabhgarh, this clean, green park cum playground for local children and adults is surrounded on its periphery by a walking track, has covered sitting areas for senior citizens, and is regularly visited by people of all ages for recreation. Well aware that parks are the lungs of cities, the Foundation has covered the expanse with more than 1,000 trees. It also includes a popular cricket pitch in the centre, where local matches are played with fervor. Further the Foundation has also taken on the responsibility of converting another acre of land allotted by HUDA into a luxuriant and flourishing park with public facilities for local drivers. Located in Sector 58, Ballabhgarh, more than 500 trees are spread out over the green space.

Bringing smiles on the faces of the little ones

At Studds, we believe that every child deserves a happy and healthy environment to grow and flourish. At Studds Foundation we are also committed in providing the same. In line with this tenant, we have rebuilt and furnished the orphanage 'Aanchal Chhaya', located in Palwal, Haryana, in association with a local non -government organization. Through this orphanage we aim to provide food, shelter and clothing, along with healthcare, education and overall development for orphans who have been abandoned by society.

Provide healthcare facilities

Studds Foundation regularly sponsors surgeries for economically weaker sections of the society

Supporting the underprivileged

We work to create a positive impact on society by helping those in need. Truly believing that education is the backbone for creating a strong foundation of our society, Studds Foundation aims to provide quality education to underprivileged children. It sponsors children in KL Mehta Schools, Faridabad, Satya College of Engineering, Palwal, Mahadev Desai Public School, Faridabad, Tender Hearts, Faridabad, for pursuing education at all levels and fields. Under this scholarship scheme, the Foundation completely covers the cost of course fees, uniforms, books, stationery and all other miscellaneous items.

Support to Handicapped Children's Rehabilitation Association

Studds Foundation firmly believes in equal opportunity for all children. It is dedicated to providing financial assistance to support children with special needs at Handicapped Children's Rehabilitation Association and Tender Hearts.

Bharat Ke Veer Bravehearts

Studds Foundation salutes our soldiers and is committed to honoring and providing support to India's bravehearts via the 'Bharat Ke Veer' initiative started by the Ministry of Home Affairs, Government of India.

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

Saurav Kumar

Bankers

HDFC Bank

Auditors

M/s Rajan Chhabra & Co.

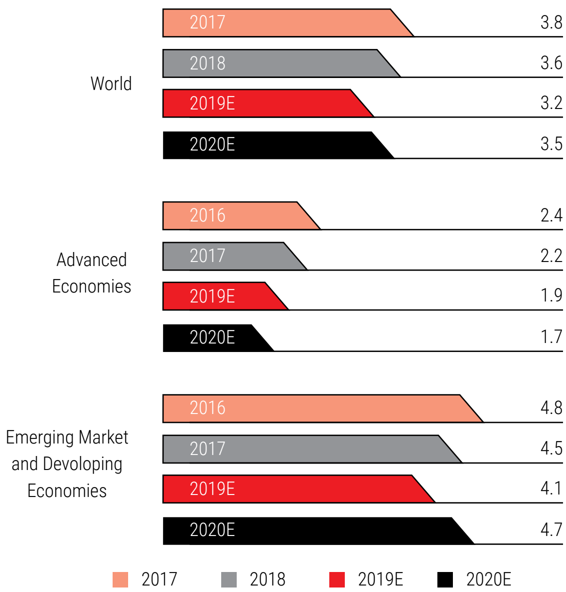
MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

Global Economy Overview

The global economic growth that started on an upbeat note in early 2018 softened in the second half of the year on account of confluence of factors affecting major economies. The softening of growth to 3.6% in 2018 reflected weaker-than-expected trade and investment growth with trade war between US and China affecting the trade market and resulting in tightening financial conditions across emerging markets.

However, against this challenging backdrop, the global economic growth is anticipated to sustain its growth levels to 3.5% in 2020. The uptick in growth will be supported by favourable changes in policy stimulus in China, recent improvements in global financial market sentiment, the reducing headwinds of growth in the Euro area, and a gradual stabilization of conditions in emerging market economies, including Argentina and Turkey. (Source: IMF and World Bank)

GDP groth rate (in%)



(Source: IMF July, 2019)

Europe

The annual growth of Euro region continued to be on firm footing at 1.9% in 2018, driven by growth in domestic demand. However, several macroeconomic factors, such as stockpiling in the UK ahead of the original Brexit date and disruption in car production in Germany by the introduction of new emission standards, affected the growth in the region. It is expected that growth will soften to 1.3% in 2019 before increasing to 1.6% in 2020. The positive outlook is on account of recovery in external demand and fading of temporary factors.

Latin America

In Latin America, growth showed notable slowdown to 1% in 2018 on account of several economies mainly reflecting idiosyncratic developments. However, it is anticipated to recover over the next two years to 1.4% in 2019 and 2.4% in 2020. The recovery will be on account of financial stability, recovery in economic activities in Argentina and moderate growth in Brazil and Mexico. Further, global factors such as global financial tightening and escalating trade tensions between the US and China that could derail economic recovery in the region.

Asia

Despite domestic and external headwinds, Asia's economy continues to be one of the key regions driving global economic growth accounting for 62% of global GDP growth. The domestic demand is expected to sustain its momentum, especially household spending, as job markets are expected to remain vibrant. However, trade is facing more uncertain prospects with the broadening of tariff measures. The emerging Asia grew at par with last year at 6.2% in 2018. While, some countries, including China and Industrialised Asia (South Korea, Hong Kong, Taiwan, Singapore and Malaysia), experienced slower growth rate on account of weaker foreign trade.

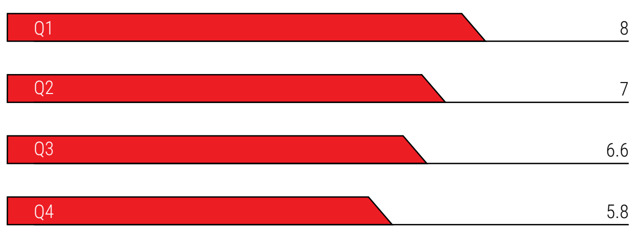
Indian Economy Overview

Continuing its journey as the fastest growing economy in the world, Indian economy registered a growth rate of 6.8% for the fiscal year 2018-19. Key attributes to the sustained growth of the Indian economy are likely to be the upswing in consumption and investment. Strengthened by the benefits derived from the structural reforms such as the Goods and Services Tax (GST) harmonization and bank recapitalization, uptick in domestic demand gained momentum in 2018. Further impetus was provided by the sustained investment growth, which has firmed as the effects of temporary factors wane.

Despite softer overall growth as compared to last year, the manufacturing activities showed improvement from 5.9% in the previous fiscal to 6.9% in FY 2018-19. The IIP of manufacturing registered a growth of 3.5% during the year under review. The per capita income in real terms showed improvement to ₹ 92565 registering a growth of 5.6% over previous year.

The growth is expected to rebound in FY 2019-20 to 7% with recovery in agricultural activity supported by robust domestic demand. The growth will be further supported by continuous recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy. The government of India targets to make India worth US$ 5 trillion by 2025 registering average growth rate of 8% over the short-term span.

Quaterlt GDP break-up for FY 2018-19



Sources: Press Information Bureau, May 2019

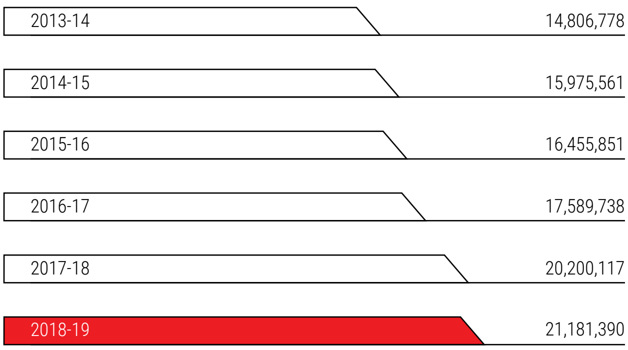
Two-wheeler Industry overview

The two-wheeler sector is one of the key driving sectors in the automobile segment accounting for approx. 80% share in total domestic sales of the sector. During the year under review, the two-wheeler segment showed marginal growth of 4.86% YoY to 2,11,81,390 units from 2,02,00,117 units in the previous year. Within the segment, sale of scooter remained muted while Motorcycles and Mopeds grew by 7.76% and 2.41% respectively during the same time frame.

The muted growth in sale was on account of weak customer sentiment, slower consumption in rural areas and increase in prices, led to slow buying period, notably in the second half of the financial year. The export from the sector witnessed marginal increment of 1.06% to 251,303 units in FY 2018-19 from 248,672 units in FY2017-18.

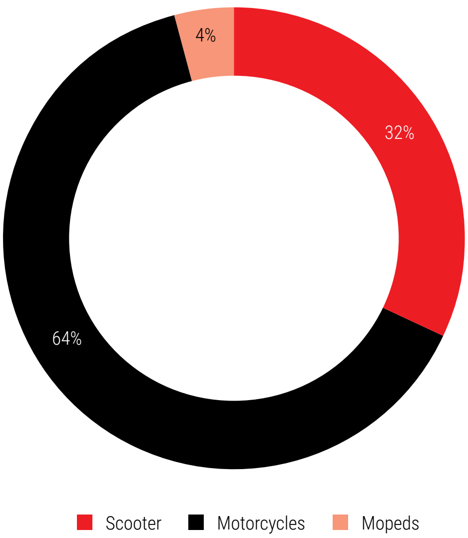
Nonetheless, the segment is expected to witness healthy growth on account of expected uptick in rural sentiments that are supported by normal monsoon precipitation, new product launches, increasing urbanization and rising disposable income, will lead to a greater penetration in the urban areas. (Source: SIAM, The Economic Times, Markets and Markets)

Domestic sales of two-wheelers



(Source: SIAM)

Sales Mix for FY 2018-19



(Source: Auto.in)

Helmet Industry overview

The Indian two-wheeler helmet sector has been growing at a steady pace with factors such as growth in automobile sector, rising disposable income and increasing awareness of safety regulations are constantly propelling the demand for helmets in India. In recent times, the Industry has been witnessing ground breaking innovation such as carbon fibre helmet, air cooled technology in helmets, helmets with anti-glare visor, push button and helmet lock features leading to further growth in demand.

The government of India has been amending regulations to address the rising accidents caused by either not wearing helmets or wearing a substandard helmet which failed to protect their heads. As per the new regulation, the manufacturing, sales and usage of helmets that do not comply with the Indian Standard Institute (ISI) standards will be banned. The introduction of this regulation will provide significant opportunities to organized players, like STUDDS, to increase their market share while address the demand with top-notch quality and stylish products.

The global premium Motorcycle helmet industry is estimated to grow at a CAGR of 10.4% during 2018 to 2025. Europe is the largest market for premium motorcycle helmet due to increase in the motor cycle permits in several European countries. While, Asia Pacific is projected to be the fastest growing market due to availability of two-wheelers at relatively affordable prices. The Indian helmet segment is estimated to grow on a steady pace on account of favourable factors.

Company Overview

The world's largest manufacturer of two wheeler helmets, STUDDS Accessories Limited (Studds), is catering diverse needs of its customer through its two flagship brands STUDDS & SMK HELMETS. The company markets its products to 39 countries across the world ensuring its products meets all the safety, quality, style and comfort requirements. Over the years, the company has also diversified its offering into two-wheeler lifestyle accessories such as two-wheeler luggage, gloves, helmet security guards, rain suits and eye wear as well. Since inception, Studds has been providing stylish, innovative and comfortable products while meeting the dynamic changes in taste and preferences of the consumers across the globe enabling it to gain strong brand loyalty and recall.

Core Strengths

Distribution reach: The Company has been successful in establishing a strong distribution network in India as well as across the globe. Studds presence across the world with a strong distribution network and agents has enabled it to be one of the strongest players in the industry.

Stringent Quality and safety standards: One of key focus areas has always been on adhering to international and domestic quality standards and ensuring the products are safe to use. Company's facilities have 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 its products to international markets. Studds is one of the few companies in the international market with these certifications.

Target Segment: Unlike its competitors who do not have a clear target segment, Studds primarily targets customers who requires premium two-wheeler helmets through its brands STUDDS and SMK. Moreover, the company has several tie-ups with business and acts as their distributing agents. This helps them own a more sustainable business model and focus on the limited set of customers while getting more business value.

Research and Development: Studds makes substantial investment towards research and development of new products along with improvement of existing ones. Its R&D team constantly studies the changing industry landscape and design products that are stylish and innovative yet safe and long lasting.

Experience Top Management: Over the years, the Company has leveraged its top managements experience to capitalize on market opportunities, formulate and execute business strategies, manage client expectations as well as proactively overcome challenges imposed by market conditions.

Risk management

Table below illustrate the Industry trends that might have impact on the Company's operation and Company's response on the same.

Trends	Possible Impact	Response
Increase in demand of two-wheelers	Demand for essential accessories such as Helmet will continue to grow	The Company is constantly expanding its manufacturing and Marketing capabilities to meet this increasing demand for its products.
Digitization and share mobility	Consumer spending through online model has increased significantly in recent times. Unable to match up with the changing digital landscape may have adverse impact on operations.	The Company has made its products available on online web sites (such as Flipkart and Amazon) to ensure its products reach maximum consumers across the world.
Sustainability and Security	People are making more and more choices in support of sustainable development by purchasing sustainable and safe high-quality products from companies whose values they can relate to.	The Company ensures that its products are safe, sustainable, and of high quality. As a good corporate, it cares about the environment and people, based its way of thinking on circular economy, and come up with innovative solutions in order to promote sustainable development in the industry.
Innovative products	With changing consumer behaviour and lifestyle, they demand innovative and stylish products. Company's inability to deliver the same might lead to loss of revenue.	Studds is always at the forefront of innovating new products. During the year under review, the Company introduced many new products, in line with market requirements.

DIRECTORS' REPORT

To,

The Members,
STUDDS ACCESSORIES LTD.

Your Directors are pleased to present the 37th (Thirty Seventh) 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, 2019 ("Reporting Period").

1. Financial Results

The results of your Company's financial prudence and business excellence for the year ended 31st March, 2019 are as follows:-

Particulars	STANDALONE	(Amt. in Million)
	As at 31-March-2019	As at 31-March-2018
Revenue from Operations	3890.40	3364.44
Other Income	82.13	53.45
Total Income	**3972.53**	**3417.89**
Profit before Finance Cost, Depreciation and Amortization Expenses	734.04	575.66
Finance Cost	3.11	3.47
Profit before Depreciation	730.93	572.19
Depreciation	59.32	57.39
Profit Before tax	671.61	514.80
Tax Expenses		
Current tax	251.03	172.12
Deferred Tax	7.36	13.43
Tax Related to Earlier Periods	1.50	0.44
Profit after tax	411.72	328.81
Transfer to General Reserve and Surplus	0	40.00
Face Value* per Equity Share (in ₹) (Please refer Note No. 32 of Standalone Financial Statements for the financial year ended on 31st March 2019)	5/-	5/-
Earnings Per Share (in ₹)		
Basic EPS (in ₹)	20.92	16.71
Diluted EPS (in ₹)	20.92	16.71

2. Company's Performance

Your 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-March-2019	As at 31-March-2018
Sales (Adjusted Revenue)	3890.40	3277.26
EBITA	734.04	575.66
Profit for the year	411.72	328.81

3. Dividend

Your Board of Directors are pleased to recommend a dividend of ₹ 3 per share @60% 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. 28th September 2019.

4. Reserves

During the year under review, NIL amount has been transferred to General Reserve.

5. Material Changes and Commitments

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

6. Change in the Nature of Business

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

7. 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.

8. Share Capital

During the year under review, the Company has subdivided its Authorized Share Capital from ₹ 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 to ₹ 25,00,00,000/-(Rupees Twenty Five Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹ 5/- (Rupee Five) each with the approval of its shareholders in the meeting held on 07th July, 2018.

Further, during the year under review the Company at its meeting held on 07th July, 2018 has subdivided each equity share of nominal value of ₹ 10/- (Rupees Ten Only) each in the Paid up Capital of the Company fully paid up, into 2 equity shares of ₹ 5/- (Rupees Five Only) each fully paid up.

During the period under review, the Company at its meeting held on 07th July, 2018 has issued Bonus shares to the existing shareholders of the company in the ratio of 8:1.

The revised Paid up capital of the Company as on 31st March, 2019 is ₹ 9,83,83,500/- (Rupees Nine Crores Eighty Three Lacs Eighty Three Thousand Five Hundred Only) divided into 1,96,76,700 (One Crore Ninety Six Lacs Seventy Six Thousand Seven Hundred only) equity shares of ₹ 5/- (Rupee Five) each.

9. Subsidiaries, Joint Ventures or Associate Companies

Your Company did not have any subsidiary during the period under the review.

So in accordance with the provisions of 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 not applicable to the Company.

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.

11. Directors and Key Managerial Personnel (KMP)

During the period under review, Mr. Pankaj Duhan (DIN: 08093989) has been appointed as an Independent Director of the Company w.e.f 9th April, 2018 at the meeting of Company held on 28th September, 2018 for the period of 5 years.

Mrs. Kanika Bhutani, Company Secretary and Compliance Officer of the Company has resigned w.e.f 10th July, 2019 and Mr. Saurav Kumar has been appointed as a Company Secretary and Compliance Officer of the Company w.e.f 22nd August, 2019 in the Board Meeting of the Company held on 22nd August, 2019.

Mr. Manish Mehta has been appointed as a Chief Financial Officer of the Company w.e.f 10th August, 2018 in the Board Meeting of the Company held on 07th August 2018 in place of Mr. Sanjay Sethi who resigned w.e.f 03rd August, 2018.

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

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 31.03.2019 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
Mr. Pankaj Duhan	Non- Executive Independent Director	09.04.2018
Mr. Manish Mehta	Chief Financial Officer	10.08.2018
Mrs.Kanika Bhutani*	Company Secretary	01.02.2018

*Resigned w.e.f July 10, 2019

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.

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.

At the EGM held on 26th April, 2018, the members of the Company approved the appointment of M/s. Rajan Chhabra & Co, Chartered Accountants (FRN.009520N) as the Statutory Auditors of the Company in place of M/s. A.C Mehta & Co.

At the AGM held on 28th September, 2018, the members of the Company approved the appointment of M/s. Rajan Chhabra & Co. , Chartered Accountants (FRN.009520N) as the Statutory Auditors of the Company from the conclusion of 36th AGM until the conclusion of 41st AGM.

Vide notification dated 07th May, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 37th AGM.

Further, no fraud was reported by the Statutory auditors of the Company as required under sub-section (12) of section 143 of the Companies Act, 2013.

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 2018-19. 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 31st March, 2019 contains certain reservation and remarks which are given along with the management reply for the same:

(a) The Company has not filed e-form MGT-14 in respect of loan taken from HDFC Bank in the board meeting held on 26th April, 2018 for an amount of ₹ 49,00,00,000/-(Forty Nine Crores only) as required under Section 179(3) (d) of the Companies Act, 2013.

Management's Comment: The Company has filed application for seeking condonation of delay before the Central Government

(b) The Board of Directors at its meeting held on 26th April, 2018 approved appointment of Chief Financial Officer w.e.f 10th August, 2018, in respect of which, Form MGT-14 has not be filed.

Management's Comment: The Company has filed Form DIR-12 in respect of his appointment and subsequently also filed form DIR-12 for his resignation w.e.f 03rd August, 2018 and the Company has filed application for seeking condonation of delay before the Central Government.

iii) Internal Auditor

Pursuant to section 138 of Companies Act, 2013, the Company had appointed M/s. Deloitte Haskins and Sells Chartered Accountants as Internal Auditors for the period 01st April, 2018 to 31st January, 2019.

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, 2019 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, 2019 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 / 2018-19	09.04.2018
2	2 /2018-19	25.04.2018
3	3 / 2018-19	26.04.2018
4	4 / 2018-19	08.06.2018
5	5 / 2018-19	16.07.2018
6	6 / 2018-19	07.08.2018
7	7 /2018-19	18.08.2018
8	8 / 2018-19	28.09.2018
9	9 /2018-19	10.12.2018
10	10 / 2018-19	07.02.2019

The maximum gap between any two meetings was not more than one hundred and twenty days. Independent Director's also had their separate meeting held on 7th August, 2018

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. Stakeholder Relationship 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.

During the year under review, Audit Committee comprised of Mr. Shanker Dev Choudhry, Chairperson, Ms. Pallavi Saluja, Mr. Sidhartha Bhushan Khurana and Mr. Pankaj Duhan, members of the Committee. Mrs. Kanika Bhutani*, Company Secretary and Compliance Officer of the Company, was the Secretary to the Committee after her appointment.

*Resigned w.e.f 10th July, 2019

During the year Committee Member met 4 (Four) times i.e. on 08th June, 2018, 07th August, 2018, 10th December, 2018 and 07th February, 2019.

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	1
3	Mr. Pankaj Duhan*	Member	3	1
4	Mr. Sidhartha Bhushan Khurana	Member	4	4

*Mr. Pankaj Duhan inducted as member of Audit Committee w.e.f. 8th June, 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.

- During the Period under review Nomination and Remuneration Committee comprised of Ms. Pallavi Saluja, Chairperson, Mr. Shanker Dev Choudhary, Mr. Madhu Bhushan Khurana.
- During the Year Committee met 3 (Three) times i.e. 09th April, 2018, 26th April, 2018, and 07th August, 2018

The particulars of meetings and attendance by the Members of the Nomination and Remuneration 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	3	3
2	Mr. Shanker Dev Choudhry	Member	3	3
3	Mr. Madhu Bhushan Khurana	Member	3	3

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, Ms. Pallavi Saluja, members of the Committee.

During the year Committee Member Met 2 (Two) Times i.e 18th August, 2018, and 30th March, 2019.

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	Ms. Pallavi Saluja	Member	2	2
4	Mr. Shanker Dev Choudhry*	Member	NIL	NIL

*Member of CSR Committee upto 08th June,2018

4. Stakeholder Relationship Committee

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

During the Year under review, Stakeholder Relationship Committee comprised of Mr. Madhu Bhushan Khurana, Chairperson and Mr. Sidhartha Bhushan Khurana, Mr. Shanker Dev Choudhry, members of the Committee.

During the year under review, Share Transfer Committee met 7 (seven) times i.e 09th April, 2018, 09th May, 2018, 08th June, 2018, 27th June, 2018, 07th July, 2018, 28th September, 2018, and 23rd November , 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	7	7
2	Mr. Sidhartha Bhushan Khurana	Member	7	7
3	Mr. Shanker Dev Choudhry	Member	7	7

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 I** 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

Cost Records

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

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

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

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

Compliance of Secretarial Standards

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

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

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

Acknowledgement

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

For and on behalf of the Board
Studds Accessories Limited

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: 22nd August, 2019
Place: Faridabad

Annexure to Boards Report

Annexure I

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, 2019

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.	Ms. Pallavi Saluja	Member, Independent Director
4.	Mr. Shanker Dev Choudhry*	Member, Independent Director

*Member upto 08th June , 2018

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

Average Net Profits – ₹ 41,50,82,846/-

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

CSR Expenditure –₹ 83,01,660/-

5. Details of CSR spent during the financial year:

a) Total amount spent for the financial year:

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 ₹ 83,02,000 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 Environment, Education and Health Care	Local Area	-	₹ 83,02,000/-	₹ 83,02,000/-	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 : 22nd August , 2019

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: 22nd August , 2019
Place: Faridabad

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.

S. 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.

S. 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: 22nd August, 2019
Place: Faridabad

Annexure III

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[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, 2019 ("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, 2019 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. Further, the Company was generally regular in filing of e-forms with the Registrar of Companies.

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 has not filed e-Form MGT-14 in respect of loan taken from HDFC bank in the Board meeting held on 26th April, 2018 for an amount of ₹ 49,00,00,000/- (Forty Nine Crores only) as required under Section 179(3)(d) of the Companies Act, 2013 and the Company has filed application for seeking condonation of delay before the Central Government.

- The Board of Directors at its meeting held on 26th April, 2018 approved the appointment of Chief Finance Officer w.e.f. 1st May, 2018, , in respect of which, Form MGT-14 has not filed, however, the Company has filed form DIR-12 in respect of his appointment and subsequently also filed form DIR-12 for his resignation w.e.f. 3rd August, 2018 and the Company has filed application for seeking condonation of delay before the Central Government.

(iv) 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 other than those held at shorter notice 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:

- Pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the Members of the Company by passing a Special Resolution at their Extra Ordinary General Meeting held on 26th April, 2018 has given their approval to borrow money not exceeding the amount of ₹ 500 Crores (Rupees Five Hundred Crores Only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose).

- Pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") , the Members of the Company by passing a Special Resolution at their Extra Ordinary General Meeting held on 26th April, 2018 has given their approval for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013.

- Pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013, the Members of the Company by passing a Special Resolution at their Extra Ordinary General Meeting held on 7th July, 2018 has given their approval to subdivide each Equity Share of the nominal value of ₹ 10/- (Rupees Ten Only) each in the Capital of the Company fully paid up, into 2 (Two) Equity Shares of ₹ 5/- (Rupees Five Only) each fully paid up and all the Equity shares of ₹ 10/- (Rupees Ten Only) each fully paid, of the Company, be sub-divided accordingly with effect from the Record Date i.e. 7th July, 2018.

- Pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, the Members by passing separate Special Resolutions at their Extra Ordinary General Meeting held on 7th July, 2018, altered the Memorandum of Association of the Company by increasing the authorized share capital of the Company to ₹ 25,00,00,000- (Rupees Twenty Five Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹ 5/- (Rupees Five Only) each and adopted new set of MOA as per Companies Act 2013 and rectification of number of shares reflecting on the Subscribers sheet of MOA.

- Pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013, the Members of the Company by passing a Special Resolution at their Extra Ordinary General Meeting held on 7th July, 2018 has given their approval for issuing bonus equity shares of the face value of ₹ 5/- (Rupees Five Only) each (after sub-division), credited as fully paid-up shares to the holders of the existing equity shares of the Company, whose names appear in the Register of Members maintained by the Company's Registrars and Transfer Agents / List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on record date i.e. 07th July, 2018 in the proportion of 8 (eight) equity shares for every 1 (one) equity share held (i.e. in the ratio of 8:1).

- Pursuant to the provisions of Section 62(1)(c) and any other applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other listing regulations, the Members of the Company by passing a Special Resolution at their Extra Ordinary General Meeting held on 7th July, 2018 has given their approval to create, issue, offer and allot Equity Shares up to an aggregate value of ₹ 600 Crores (Rupees Six Hundred Crores), in the course of the IPO (provided that such number of additional Equity Shares to the extent of up to 10% (the "Fresh Issue") of the issue size or such other extent as may be required for the purposes of rounding off the nearest integer while finalising the basis of allotment, including the issue and allotment of Equity Shares to the stabilizing agent pursuant to the Green Shoe Option, if any, in terms of the SEBI ICDR Regulations.

- Pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013, the Members of the Company by passing a Special Resolution at their Extra Ordinary General Meeting held on 7th July, 2018 has given their approval to cancel the 1,06,850 (One Lac Six Thousand Eight Hundred and Fifty) equity shares of ₹ 10/- (Rupees Ten Only) each, which have not been taken by person to whom so offered from Issued Equity share Capital of the Company.

- The Members of the Company by passing a Special Resolution in its annual General Meeting held on 28th September, 2018, altered the Article of Association of the Company 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

- Securities and Exchange Board of India vide its letter dated 18th of December, 2018 has given its observation on the draft offer document for proposed IPO of Studds Accessories Limited and advised the Book Running Lead Manager (BRLM) to rectify/comply deficiencies in the draft offer document as per SEBI (Issue of Capital and Disclosures Requirement) Regulations 2009/2018, before filing it with the Stock Exchange and/or ROC

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

Devesh Kumar Vasisht
Partner
CP No.: 13700

New Delhi
22nd August, 2019

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	25.25	Bachelors Degree In Aeronautical Engineering	36 years	03.02.1983	70	-	55.36
2	Sidhartha Bhushan Khurana	Managing Director	25.86	Bachelors Degree In Aeronautical Engineering	20 years	28.08.1998	42	-	14.30

1. Remuneration includes salary, commission, provident fund and perquisites, 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: 22nd August, 2019
Place: Faridabad

Annexure V

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

A. Conservation of Energy

(i) Steps taken for conservation of energy:

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.

The Company has automated a number of process like injection moulding, cutting shells etc. by employing Robots in the process.

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

In its endeavour to reduce energy consumption the Company has migrated to LED lights instead of conventional lights. Further the company has during the year installed Solar Power Equipment.

(iii) The capital investment on energy conservation equipment – ₹ 64,90,587.00

B. Technology Absorption

(i) Major efforts made towards technology absorption:

We have installed robots in injection moulding machines.

(ii) The benefits derived:

Saving in manpower cost.

(iii) Information regarding imported technology (Imported during last three years):

We have adopted processes viz spurting metalizing, vizor coating, shape moulding, vacuum foaming, CNC coating, lazer cutting etc.

(iv) Expenditure incurred on research and development: ₹ 1,30,75,834

C. Foreign exchange earnings and Outgo: (₹ in million)

Foreign Exchange earned in terms of actual inflows: ₹ 283.19 million

Foreign Exchange outgo in terms of actual outflows: ₹ 139.49 million

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: 22nd August, 2019
Place: Faridabad

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of **Studds Accessories Limited**

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Studds Accessories Limited ('the Company'), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including Other Comprehensive Income) , the cash flow statement and the statement of changes in Equity for the year ended that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as " Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit/loss (including comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Information other than the financial statements and auditors' report thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the Board Report and in doing so, consider whether the Board Report is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   d. In our opinion, the aforesaid Ind AS 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 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
22nd August, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2019, 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 business activities rendered by the Company. Therefore, the provisions of Clause (vi) of paragraph 3 of the Order is not applicable to the Company.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs, excise and service tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of 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 Millions)	Period to which the amount relates	Forum where dispute are pending
Income-Tax Act 1961	Income Tax	2.06	A/y 2009-10 & 2016-17	Income Tax Authorities
Haryana Value Added Tax,2003	Sales Tax	17.69	2015-16	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
22nd August, 2019

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, 2019 in conjunction with our audit of the 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, 2019, 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

Faridabad
22nd August,2019

ANNEXURE- I STATEMENT OF ASSETS AND LIABILITIES

₹ in million

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property Plant & Equipment	3	1,295.49	1,246.82
Capital Work in Progress		576.77	61.49
Intangible Assets	4	4.50	4.42
Financial Assets			
- Non-Current Investments	5	0.02	0.03
Total Non-Current Assets		**1,876.78**	**1,312.76**
Current Assets			
Inventories	6	131.19	126.71
Financial Assets			
- Trade Receivables	7	216.05	121.85
- Cash & Cash Equivalents	8	101.38	171.44
- Other Bank Balances	9	663.21	468.60
- Other Financial Assets	10	8.93	8.22
Other Current Assets	11	25.27	18.74
Total Current Assets		**1,146.03**	**915.57**
Total Assets		**3,022.81**	**2,228.33**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	98.38	10.93
Other Equity	13	1,481.52	1,175.95
Total Equity		**1,579.90**	**1,186.88**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Non-Current Borrowings	14	390.67	3.51
- Other Non-Current Financial Liabilities	15	181.66	262.23
Non-Current Provisions	16	15.21	11.10
Deferred Tax Liability (Net)	17	103.58	96.22
Total Non-Current Liabilities		**691.12**	**373.06**
Current Liabilities			
Financial Liabilities			
- Current Borrowings	18	-	-
- Trade Payables	19	363.35	344.21
- Other Current Financial Liabilities	20	244.64	221.43
Other Current Liabilities	21	58.73	47.60
Current Provisions	22	15.76	7.08
Current Tax Liabilities (Net)	23	69.31	48.06
Total Current Liabilities		**751.79**	**668.39**
Total Liabilities		**1,442.91**	**1,041.44**
Total Equity and Liabilities		**3,022.81**	**2,228.33**
Significant Accounting Policies	Note 2 of Annexure V		

The above statement should be read together with significant accounting policies in Annexure V 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: 22nd August,2019

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Place: Faridabad
Date: 22nd August,2019

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Manish Mehta
Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE–II STATEMENT OF PROFIT AND LOSS

₹ in million

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from Operations	24	3,890.40	3,364.44
Other Income	25	82.13	53.45
Total Revenue		**3,972.53**	**3,417.89**
Expenses			
Cost of Material Consumed	26	1,807.79	1,528.56
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	27	4.94	6.38
Excise Duty on sale of goods		-	87.18
Employee Benefit Expense	28	377.10	318.82
Finance Cost	29	3.11	3.47
Depreciation and Amortisation Expense	30	59.32	57.39
Other Expenses	31	1,048.66	901.29
Total		**3,300.92**	**2,903.09**
Profit before Tax		671.61	514.80
Tax Expense:			
Current Tax		251.03	172.12
Deferred Tax		7.36	13.43
Tax relating to earlier periods		1.50	0.44
Total Tax Expense		**259.89**	**185.99**
Profit for the year		411.72	328.81
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(10.54)	(0.52)
Income tax effect		3.68	0.18
Total other comprehensive income		**(6.86)**	**(0.34)**
Total Comprehensive Income for the year		**404.86**	**328.47**
Earnings per share (face value ₹ 5/-)	32		
- Basic EPS (in ₹)		20.92	16.71
- Diluted EPS (in ₹)		20.92	16.71
Significant Accounting Policies	Note 2 of Annexure V		

The above statement should be read together with significant accounting policies in Annexure V 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
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Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE–III STATEMENT OF CHANGES IN EQUITY

(i) Equity Share Capital

₹ in million

Particulars Equity share of ₹ 5/- each*	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**10.93**	**10.93**
Movement during the year	87.45	-
Balance at the end of the year	**98.38**	**10.93**

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

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

(ii) Other Equity

₹ in million

Particulars	Reserves and surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
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**
As at April 01, 2018	6.83	163.37	1,005.76	1,175.95
Profit for the year	-	-	411.72	411.72
Other Comprehensive Income (net of tax)	-	-	(6.86)	(6.86)
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	-11.84	-11.84
Less: Utilised during the year	6.83	80.62	-	87.45
As at March 31, 2019	**-**	**82.74**	**1,398.78**	**1,481.52**

The above statement should be read together with significant accounting policies in Annexure V 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
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DIN: 07094705

Place: Faridabad
Date: 22nd August,2019

Manish Mehta
Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE–IV STATEMENT OF CASH FLOWS

₹ in million

Particulars		For the year ended 31-Mar-2019	For the year ended 31-Mar-2018
A	**Cash Flow from Operating Activities**		
	Profit before Tax	671.61	514.80
	Adjustments for:		
	Depreciation and Amortisation Expense	59.32	57.39
	(Gain)/Loss in change in fair value of financial instruments	0.01	0.04
	Finance Cost	3.11	3.47
	Rent Income	(0.26)	(0.26)
	Interest Income	(42.43)	(28.15)
	Profit on Sale of Investments	-	(23.30)
	Profit on sale of Property, Plant and Equipment	(20.29)	-
	Loss on sale of Property, Plant and Equipment	-	0.15
	Other Income	(19.15)	(1.74)
	Operating Profit before working Capital changes	651.91	522.39
	Working capital adjustments:		
	Movement in trade & other payables	(31.55)	138.29
	Movement in trade & other receivables	(101.44)	(76.51)
	Movement in inventories	(4.48)	(16.81)
	Cash Generated from Operations	514.45	567.36
	Direct Taxes Paid and Taxes earlier years	(227.60)	(136.08)
	Net Cash Flow from Operating Activities (A)	**286.85**	**431.28**
B	**Cash Flow from Investing Activities**		
	Purchases of Property, Plant and Equipment (PPE)	(707.73)	(228.92)
	Sale proceeds from sale of PPE	22.88	0.14
	Sale proceeds from sale of Investments	-	26.49
	(Investment) In Fixed Deposits/Maturity	(194.61)	(152.27)
	Rent Received	0.26	0.26
	Interest Received	42.43	28.15
	Other Income Received	19.15	1.74
	Net Cash Flow from Investing Activities (B)	**(817.61)**	**(324.41)**
C	**Cash Flow from Financing Activities**		
	Proceeds/(Repayment) from Non-Current Borrowings (Net)	475.86	(21.10)
	Proceeds/(Repayment) from Current Borrowings (Net)	-	-
	Dividend Including Dividend Distribution Tax	(12.05)	(11.69)
	Interest Paid	(3.11)	(3.47)
	Net Cash Flow from Financing Activities (C)	**460.70**	**(36.26)**
	Net increase in Cash and Cash Equivalents (A+B+C)	**(70.06)**	**70.60**
	Cash and Cash Equivalent at the beginning of the year	171.44	100.84
	Cash and Cash Equivalent at the end of the year	101.38	171.44

ANNEXURE-IV STATEMENT OF CASH FLOWS

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 balances 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 made below. There is no impact on the financial statements due to this amendment.

₹ in million

Particulars	As at 31 -Mar-18	Cash Flows	Non-cash changes	As at 31 -Mar-19
Borrowings	7.65	475.86	-	483.51

The above statement should be read together with significant accounting policies in Annexure V 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 period the Company has spent 8.30 million on CSR Expenses yet 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: 22nd August,2019

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Place: Faridabad
Date: 22nd August,2019

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Manish Mehta
Chief Financial Officer

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Saurav Kumar
Company Secretary

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

1. Corporate Information

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

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

2. Significant Accounting Policies

(a) Statement of Compliance

The Statement of Assets and Liabilities of the Company as at March 31, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash flows for the year ended March 31, 2019 and Other Financial Information (together referred as ' 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.

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 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 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.

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.

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

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.

(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.

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.

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.

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

(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.

(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.

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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 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.

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

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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) Development expenses

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

(q) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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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.

(r) 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.

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

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 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.

(s) Dividends

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

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

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 3 Property Plant & Equipment

₹ in Million

Description	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Office Appliances	Computers	Vehicles	Total
Cost								
As at 01 April 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**
Additions	56.57	-	51.78	1.52	0.04	0.76	-	110.66
Disposals/write off	-	3.78	0.21	-	-	-	-	3.99
As at 31 March 2019	**608.48**	**164.06**	**641.26**	**15.15**	**4.57**	**3.65**	**23.00**	**1,460.16**

Description	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Office Appliances	Computers	Vehicles	Total
Accumulated Depreciation								
As at 01 April 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**
Charge for the year	-	5.94	46.03	1.59	0.58	0.70	3.17	58.00
Disposals/write off	-	-	-	-	-	-	-	-
As at 31 March 2019	**-**	**18.42**	**127.63**	**4.26**	**3.31**	**1.97**	**9.08**	**164.67**

Description	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Office Appliances	Computers	Vehicles	Total
Net Book Value								
As at 31 March 2019	**608.48**	**145.63**	**513.63**	**10.89**	**1.26**	**1.68**	**13.92**	**1,295.49**
As at 31 March 2018	**551.91**	**155.36**	**508.09**	**10.96**	**1.80**	**1.62**	**17.09**	**1,246.82**

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

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 4 Other Intangible Assets

₹ in Million

Description	Computer Software	Trademark	Total
Cost			
As at 01 April 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**
Additions	1.39	-	1.39
Disposals/write off	-	-	-
As at 31 March 2019	**8.22**	**0.03**	**8.25**
Accumulated Depreciation			
As at 01 April 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**
Charge for the year	1.32	-	1.32
Disposals/write off	-	-	-
As at 31 March 2019	**3.75**	**-**	**3.75**
Net Book Value			
As at 31 March 2019	**4.47**	**0.03**	**4.50**
As at 31 March 2018	**4.39**	**0.03**	**4.42**

Note No: 5 Non Current Investments

₹ in Million

Particulars		As at 31-Mar-19		As at 31-Mar-18	
		No. of Shares	Amount	No. of Shares	Amount
Investment in Equity Shares					
A. In Others - At FVTPL					
- Bank of Maharashtra	10/-	1,900	0.02	1,900	0.03
Total (B)		**1,900**	**0.02**	**1,900**	**0.03**
Total Investments		**1,900**	**0.02**	**1,900**	**0.03**
Aggregate Value of Unquoted Investments			-		-
Aggregate Value of Quoted Investments			0.02		0.03
Aggregate Market Value of Quoted Investments			0.02		0.03
Aggregate Amount of Impairment in Value of Investments			-		-

Note No: 6 Inventories

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials	104.45	95.03
Finished Goods	23.23	28.47
Work in Progress	3.51	3.21
Total	**131.19**	**126.71**

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

For Valuation, refer Note 2 (i) of Accounting Policies(Annexure V).

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

Note No: 7 Trade Receivables

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Carried at Amortised Cost		
From Others*		
- Secured, considered good	0.17	0.09
- Unsecured, considered good	215.88	121.77
- With significant increase in credit risk	-	-
- credit impaired	-	-
Total	**216.05**	**121.85**

*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 March 31, 2019	As at March 31, 2018
Cash in hand	0.20	0.01
Balances with Bank		
- in current accounts	**101.19**	**171.43**
Total	**101.38**	**171.44**

Note No: 9 Other Bank Balances

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Bank		
- in Deposit having maturity for more than 3 months but less than 12 months	662.86	468.10
- in Unpaid Dividend account	**0.35**	**0.51**
Total	**663.21**	**468.60**

Note No: 10 Other Financial Assets

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Carried at Amortised Cost		
Unsecured, considered good		
Advances to employees	0.33	1.04
Security deposits	8.59	7.18
Insurance claim receivable	-	-
Total	**8.93**	**8.22**

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 11 Other Current Assets

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Advance to Vendors	14.67	12.37
EDC Charges paid under protest*	-	-
Duty Drawback receivable	0.68	0.33
Prepaid Expenses	4.15	2.81
Balance of Cenvat/GST	2.91	3.22
Other assets	2.85	-
Total	**25.27**	**18.74**

Note No: 12 Equity Share Capital

₹ in Million

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital				
Equity shares of ₹ 5/- each**	5,00,00,000	250.00	2,50,00,000	250.00
Issued Capital				
Equity share of ₹ 5/- each**	1,96,76,700	98.38	12,00,000	12.00
Subscribed and Fully Paid up*				
Equity share of ₹ 5/- each**	1,96,76,700	98.38	10,93,150	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, and has also been approved by members of the Company.

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

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

A. Reconciliation of Number of Equity Shares Outstanding

₹ in Million

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**10,93,150**	**10.93**	**10,93,150**	**10.93**
Add: Effect due to Share Split	10,93,150	-	-	-
Add: Effect due to Bonus Issue	1,74,90,400	87.45		
Less: Cancelled during the year	-	-	-	-
Balance at the End of the Year	**1,96,76,700**	**98.38**	**10,93,150**	**10.93**

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

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

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

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

₹ in Million

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	No. of Shares	Amount	No. of Shares	% of Holding
Equity shares of ₹ 5/- each fully paid*				
Madhu Bhushan Khurana	1,08,92,880	55.36%	6,04,660	55.31%
Sidhartha Bhushan Khurana	28,14,480	14.30%	1,56,360	14.30%
Chand Khurana	16,48,800	8.38%	91,600	8.38%

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

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

Note No: 13 Other Equity

₹ in Million

Particulars	Reserves and surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
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**
As at April 01, 2018	6.83	163.37	1,005.76	1,175.95
Profit for the year	-	-	411.72	411.72
Other Comprehensive Income (net of tax)	-	-	(6.86)	(6.86)
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(11.84)	(11.84)
Less: Utilised during the year	6.83	80.62	-	87.45
As at March 31, 2019	**0.00**	**82.74**	**1,398.78**	**1,481.52**

Note No: 14 Non-Current Borrowings

₹ in million

Particulars	As at March 31, 2019	As at March 31, 2018
At Amortised Cost		
Term Loans from Banks (Secured)		
Vehicle Loan	3.51	7.65
Other Term Loan	480.00	-
Loans from Related Parties (Unsecured)		
From Directors	-	-
Total	**483.51**	**7.65**
Less: Current Maturities on Non Current Borrowings		
- Outstanding From Banks	92.84	4.14
Total	**92.84**	**4.14**
Total Non-Current Borrowings	**390.67**	**3.51**

Security, Interest & Repayment Details:

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loan from Banks		
HDFC Bank- Loan for ₹ 480 Million		
Balance Outstanding		
Current Maturity	90.00	-
Non - Current Maturity	390.00	-

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

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

Security Terms:

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

Interest Rates:

(1 Year MCLR + 45 bps)

Repayment Terms:

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

Vehicle Loan from Banks

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Balance outstanding		
Current Maturity	2.84	4.14
Non-current Maturity	0.67	3.51

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

Term Loan from Banks

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Balance Outstanding		
Current Maturity	90.00	-
Non-current Maturity	390.00	-
Total	**480.00**	**-**

Vehicle Loan

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Balance Outstanding		
Current Maturity	2.84	4.14
Non-current Maturity	0.67	3.51
Total	**3.51**	**7.65**

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Loan from Related Parties

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Balance Outstanding		
Current Maturity	-	-
Non-Current Maturity	-	-

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 the Company expected that loan is not going to be repaid within next 12 months. Hence classified as Non-Current.

Aggregating amount of loan guaranteed by directors:

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loans	-	-

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 March 31, 2019	As at March 31, 2018
At Amortised Cost		
Security Deposit from Dealers	18.12	16.90
Payables on purchase of Property, Plant & Equipment	163.54	245.33
Total	**181.66**	**262.23**

Note No: 16 Non-Current Provisions

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
- Gratuity	11.83	7.75
- Leave Encashment	3.38	3.35
Total	**15.21**	**11.10**

Note No: 17 Deferred Tax Liabilities (Net)

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation	114.41	102.51
Total Deferred Tax Liabilities	**114.41**	**102.51**
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961	10.82	6.29
Total Deferred Tax Assets	**10.82**	**6.29**
Net Deferred Tax Liabilities/(Asset)	**103.58**	**96.22**

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Reconciliation of Deferred Tax Liabilities (Net)

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation		
Opening Balance	102.51	88.74
Movement during the year	11.89	13.77
Closing Balance	**114.41**	**102.51**
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961		
Opening Balance	6.29	5.95
Movement during the year	4.53	0.34
Closing Balance	**10.82**	**6.29**
Net Deferred Tax Liabilities/(Asset)	**103.58**	**96.22**

Note No: 18 Current Borrowings

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
At Amortised Cost		
Loan Repayable on Demand		
From Banks (Secured*)		
- Cash Credit		-
Total	**-**	**-**

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

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 March 31, 2019	As at March 31, 2018
At Amortised Cost		
Dues Owed to Micro, Small and Medium Enterprises*	3.86	-
Dues of other than MSMEs	359.49	344.21
Total	**363.35**	**344.21**

*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)

*The details regarding dues owed to Micro, Small and Medium Enterprises have been received in the current financial year ending on March 31,2019. There was no such information prior to that.

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

Note No: 20 Other Current Financial Liabilities

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
At Amortised Cost		
Current Maturities on Non-Current Borrowings from Banks (Refer Note No. 14)	92.84	4.14
Unpaid Dividend	0.30	0.51
Payables on purchase of Property, Plant & Equipment	81.79	81.79
Employee Related Liabilities	30.22	27.22
Expenses Payable	20.08	13.40
Others Payable	19.41	94.37
Total	**244.64**	**221.43**

Note No: 21 Other Current Liabilities

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Advances received from Customers	19.68	11.47
Statutory Dues	39.05	36.13
Others Payable	-	-
Total	**58.73**	**47.60**

Note No: 22 Current Provisions

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
- Gratuity	14.23	5.73
- Leave Encashment	1.53	1.35
Total	**15.76**	**7.08**

Note No: 23 Current Tax Liabilities

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Income Tax Payable	69.31	48.06
Total	**69.31**	**48.06**

Note No: 24 Revenue from operations

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Sale of Goods		
- Inland Sales	3,549.59	3,102.93
- Exports Sales	340.81	261.52
Total Revenue from Operations	**3,890.40**	**3,364.44**

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 period/year ended 31-Mar-19 and 31-Mar-18 are not strictly comparable. The following additional information is being provided to facilitate such understanding.

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 24 Revenue from operations (Contd..)

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Revenue from Operations (including Excise Duty)	3,890.40	3,364.44
Excise Duty	-	87.18
Revenue from Operations excluding Excise Duty	**3,890.40**	**3,277.26**

Note No: 25 Other Income

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Other income - recurring		
Interest Income	42.43	28.15
Rent Income	0.26	0.26
Miscellaneous Income	3.97	1.74
Other income - non recurring		
Gain on change in fair value of Investments	-	-
Profit on Sale of Property*	20.29	-
Profit on Sale of Investments**	-	23.30
Profit on account of currency fluctuation	1.64	
Credit Balance of Debtors write on	2.11	
Sale of Export Licence	11.42	
Total	**82.13**	**53.45**
Interest income (calculated using the effective interest method) for financial assets that are classified at amortised cost	42.43	28.15

*During the year 2018-19, the Company has sold its property situated at Sector 27A,Faridabad.

**During the year 2017-18, the Company has sold its shares held in the SubsidiaryCompany (i.e. M G Steel Limited) (Refer Note No. 44).

Note No: 26 Cost of Material Consumed

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Consumption of:		
Polycarbonate	210.10	148.20
Cloth	143.07	114.88
ABS	482.22	407.19
Thermocol	172.73	142.01
Buckle	48.88	43.67
PPCP	37.57	32.54
Paints	112.62	117.46
Visor	3.14	3.43
Other Components	597.47	519.19
Total	**1,807.79**	**1,528.56**

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

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

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Inventory at the beginning of the year		
Finished Goods	28.47	35.03
Work in Progress	3.21	3.03
Total	**31.68**	**38.06**
Less: Inventory at the end of the year		
Finished Goods	23.23	28.47
Work in Progress	3.51	3.21
Total	**26.74**	**31.68**
Net (Increase)/decrease	**4.94**	**6.38**

Note No: 28 Employee Benefit Expenses

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Salaries, Wages and Bonus	342.99	288.39
Contribution to Provident Fund & Other Fund	24.48	23.44
Employees Welfare Expenses	9.63	6.99
Total	**377.10**	**318.82**

Note No: 29 Finance Cost

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Interest on:		
- Cash Credit / Overdraft	0.55	0.03
- Vehicle Loan	0.54	0.85
- Unsecured Loans	-	1.92
- Payment to MSME	1.28	-
- Dealer Security Deposit	0.75	0.68
Total	**3.11**	**3.47**
Interest expense (calculated using the effective interest method) for financial liabilities that are Classified at Amortised Cost	3.11	3.47

Note No: 30 Depreciation and Amortisation Expense

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Depreciation/Amortisation of tangible assets	58.00	56.09
Amortisation of intangible assets	1.32	1.30
Total	**59.32**	**57.39**

Note No: 31 Other Expenses

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Labour Charges	127.14	113.87
Packaging & Forwarding	215.61	192.35
Power & Fuel	114.18	105.82
Store Consumed	35.24	34.90
Cartage Outward	180.95	150.09
Insurance Expenses	3.66	4.58

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 31 Other Expenses (Contd..)

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Repair and Maintenance :		
- Plant & Machinery	14.43	17.43
- Building	2.20	17.63
- Others	7.49	7.45
Rent	16.42	15.64
Payment to Auditors*	1.67	0.85
Legal & Professional Expenses	32.70	22.62
Corporate Social Responsibility (CSR) expenses#	8.30	6.20
Loss on sale of Property, Plant and Equipment	-	0.15
Loss on change in fair value of Investments	0.01	0.04
Travelling & Conveyance Expenses	6.93	9.03
Commission on Sales	4.89	2.35
Advertisement	31.29	24.65
Target Incentive	134.79	110.15
Bank Charges	0.67	0.84
Miscellaneous Expenses	110.10	64.65
Total	**1,048.66**	**901.29**

*** Details of Auditor's Remuneration**

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Payment to Auditors		
- For Audit Fees-Statutory	0.50	0.40
- For Audit Fees-Internal	1.10	0.35
For Reimbursement of Expenses	0.07	-
- For Taxation Matters	-	0.10
Total	**1.67**	**0.85**

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 EPScomputations:

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Profit after tax for calculation of EPS (₹ in million) (A)	411.72	328.81
Number of equity shares post split*	21,86,300	21,86,300
Add: Effect of Bonus issue#	1,74,90,400	1,74,90,400
Number of equity shares in calculating basic & diluted EPS (B)	1,96,76,700	1,96,76,700
Face Value per share (Amount in ₹)	5.00	5.00
Basic Earning per share (Amount in ₹) (A/B)	20.92	16.71
Diluted Earning per share (Amount in ₹) (A/B)	**20.92**	**16.71**

*The Board at its meeting held on June 08, 2018 recommended to split equity share of ₹ 10/- each into two equity shares of ₹ 5/- each, the same has been approved by the members at the Extra-ordinary General Meeting (EGM) held on July 07, 2018. 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, the same has been approved by the members at the Extra-ordinary General Meeting (EGM) held on July 07, 2018. Effect of the same has been considered while computing basic and diluted EPS in accordance with Ind AS 33 "Earnings per Share".

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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-19	Year Ended 31-Mar-18
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
- Principal amount due to MSME	2.58	
- Interest due on above	1.28	
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 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 ₹ 8.30 million for CSR activities carried out during the current year:-

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
(i) Gross amount required to be spent by the Company during the year	8.30	6.14

₹ in Million

Particulars	In Cash	Yet to be paid in Cash	Total
(ii) Amount spent during the year ending on March 31, 2019:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above			
– Studds Foundation	8.30	-	8.30
(iii) 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

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

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 Apparels 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)
- Ms. Kanika Bhutani	Company Secretary
- Mr. Sanjay Sethi	Chief Financial Officer(Upto 03/08/2018)
- Mr. Manish Mehta	Chief Financial Officer

Following transactions were carried out with related parties in the ordinary course of business for the Year Ended 31st March 2019:-

₹ in Million

Name of the Party		Nature of Transaction	Year Ended 31-Mar-19	Year Ended 31-Mar-18
1	Mr. Madhu Bhushan Khurana	Director's Remuneration:		
		- Short-term employee benefits	25.25	15.05
		- Post-employment benefits	-	-
		Interest on Loan	-	1.36
		Dividend	5.45	5.36
		Rent	0.30	0.30
		Loan Taken	-	-
		Loan Repaid	-	11.57
		Loan Receivable/(Payable)	-	-
		Balance Receivable/(Payable)	(0.32)	(0.06)
2	Mrs. Chand Khurana	Director's Remuneration/Salary:		
		- Short-term employee benefits	2.45	2.73
		- Post-employment benefits	-	-
		Interest on Loan	-	0.56
		Dividend	0.82	0.81
		Rent	0.30	0.30
		Loan Repaid	-	5.45
		Loan Receivable/(Payable)	-	-
		Balance Receivable/(Payable)	(0.13)	(1.10)
3	Mr. Sidhartha Bhushan Khurana	Director's Remuneration:		
		- Short-term employee benefits	25.86	15.15
		- Post-employment benefits	-	-
		Dividend	1.41	1.34
		Balance Receivable/(Payable)	(0.35)	(0.19)

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Following transactions were carried out with related parties in the ordinary course of business for the Year Ended 31st March 2019:- (Contd..)

₹ in Million

	Name of the Party	Nature of Transaction	Year Ended 31-Mar-19	Year Ended 31-Mar-18
4	Mrs. Garima Khurana	Director's Remuneration/Salary:		
		- Short-term employee benefits	1.27	1.13
		- Post-employment benefits	-	-
		Dividend	0.02	0.02
		Balance Receivable/(Payable)	(0.76)	(0.01)
5	Alpine Apparels Private Limited	Advance given against service contract	-	15.00
		Advance received back with interest	-	15.00
		Interest received on advance	-	0.72
6	Ms. Kanika Bhutani	Salary	1.43	0.22
7	Mr. Sanjay Sethi	Salary	1.58	-
8	Mr. Manish Mehta	Salary	2.68	-
9	Studds Foundation	CSR Expenditure	8.30	6.20

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 period/year ended 31 March 2019 & 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note No: 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 is as follows:-

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Rent Expense under Operating Lease	16.42	15.64

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 is as follows:

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Rent Income under Operating Lease	0.26	0.26

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.

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

(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-19	As at 31-Mar-18
Estimated amount of contracts remaining to be executed on capital account and not provided for	26.47	0.82

(iii) Contingent Liabilities

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Sales tax demand	17.69	43.45
Income tax demand	2.06	
Electricity penal demand	-	5.69

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

(b) The company has filed a writ petition against the Sales Tax Demand of 17.69 millioin pertaining to Finacial year 2015-16 in the High Court of Punjab and Haryana.The demand amounting to 43.45 milliion pertainimg to Financial year 2014-15 has been nullified vide order dated 16.07.2019.

(c) The company has filed an appeal with CIT (A) Faridabad in respect of demand pertainingto A/Y 2016-17 amounting to ₹ 20,31,641 on 20/01/2019.

(d) The Company has paid electricity penal demand on 26/07/2018.

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

(f) The Company has moved an application to Electricity Department Ballabgarh on 29/03/2019 for interest on security deposit from 27/09/2008 till date.

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.

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-19	Year Ended 31-Mar-18
Employer's Contribution to Provident Fund & Pension*	14.06	14.63
Employer's Contribution to ESI*	9.05	8.54

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

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

(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-19	Year Ended 31-Mar-18
Present value of obligation as at the beginning	13.48	12.73
Current service cost	2.18	1.57
Past Service Cost	-	-
Interest cost	0.99	0.88
Re-measurement (or Actuarial) (gain) / loss	10.54	0.52
Benefits paid	(1.13)	(2.23)
Present Value of Obligation as at the end	**26.06**	**13.48**
Current Liability	**14.23**	**5.73**
Non-Current Liability	**11.83**	**7.75**

(ii) Fair Value of Plan Assets:

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
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-19	Year Ended 31-Mar-18
Present Value of Obligation at the end	26.06	13.48
Fair Value of Plan Assets at the end	-	-
Amount Recognised in Balance Sheet	**26.06**	**13.48**

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

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Current service cost	2.18	1.57
Past service cost		-
Net interest cost on net defined benefit liability	0.99	0.88
Net benefit expense recognized in statement of Profit and Loss	**3.18**	**2.45**

(v) Amount recognised in Other Comprehensive Income:

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Actuarial (Gain)/Loss arising from:		
Effect of experience adjustment (gains)/losses	10.50	0.58
Difference in Present Value of Obligations	0.04	(0.06)
Components of defined benefit costs recognised in other comprehensive income	**10.54**	**0.52**

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

(vi) Funding Pattern

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
	Nil	Nil

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

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Discount rate	7.64 % p.a.	7.70 % p.a.
Attrition Rate	20.00 % p.a.	20.00 % p.a.
Salary growth rate	10.00 % p.a.	10.00 % p.a.
Mortality rate	IALM 2012-14	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-19	Year Ended 31-Mar-18
Change in assumption (3 % p.a. increase)		
Impact on defined benefit obligation	(1.59)	(0.97)
Change in assumption (3 % p.a. decrease)		
Impact on defined benefit obligation	2.07	1.26

(b) Salary growth rate

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Change in assumption (1 % p.a. increase)		
Impact on defined benefit obligation	0.61	0.37
Change in assumption (1 % p.a. decrease)		
Impact on defined benefit obligation	(0.57)	(0.35)

(c) Attrition Rate

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Change in assumption (3 % p.a. increase)		
Impact on defined benefit obligation	(0.34)	(0.27)
Change in assumption (3 % p.a. decrease)		
Impact on defined benefit obligation	0.41	0.28

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-19	Year Ended 31-Mar-18
Within the next 12 months	14.36	5.92
Between 2 and 5 years	9.20	8.76
Between 5 and 10 years	4.62	8.36
After 10 years	4.67	8.75

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

(x) Risk exposure

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

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

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

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

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

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

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Present value of obligation as at the beginning	4.70	4.16
Current service cost	2.60	2.39
Interest cost	0.26	0.20
Re-measurement (or Actuarial) (gain) / loss	(0.06)	1.01
Benefits paid	(2.60)	(3.05)
Present Value of Obligation as at the end	**4.91**	**4.70**
Current Liability	**1.53**	**1.35**
Non-Current Liability	**3.38**	**3.35**

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

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Current service cost	2.60	2.39
Past service cost	-	-
Interest cost	0.26	0.20
Re-measurement (or Actuarial) (gain) / loss	(0.06)	1.01
Net benefit expense recognized in statement of Profit and Loss	**2.80**	**3.60**

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

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Discount rate	7.64 % p.a.	7.70 % p.a.
Attrition Rate	20.00 % p.a.	20.00 % p.a.
Salary growth rate	10.00 % p.a.	10.00 % p.a.
Mortality rate	IALM 2012-14	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-19	Year Ended 31-Mar-18
Fair Value of Plan Assets at the end	-	-
Present Value Obligation at the end	4.91	4.70
Amount Recognised in Balance Sheet	4.91	4.70

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

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

₹ in Million

Particulars	31-Mar-19		31-Mar-18	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Investments*	0.02	0.02	0.03	0.03
Trade Receivables	216.05	216.05	121.85	121.85
Cash & Cash Equivalents	101.38	101.38	171.44	171.44
Other Bank Balances	663.21	663.21	468.60	468.60
Other Financial Assets	8.93	8.93	8.22	8.22
Total Financial Assets	**989.59**	**989.59**	**770.14**	**770.14**

*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-19		31-Mar-18	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Borrowings	390.67	390.67	3.51	3.51
Other Non-Current Financial Liabilities	181.66	181.66	262.23	262.23
Current Borrowings	-	-	-	-
Trade Payables	363.35	363.35	344.21	344.21
Other Current Financial Liabilities#	244.64	244.64	221.43	221.43
Total Financial Liabilities	**1,180.32**	**1,180.32**	**831.39**	**831.39**

#including current maturities of non-current borrowings

C. Fair value measurement hierarchy for Assets and Liabilities

Fair value measurement

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

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

Level 1

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

Level 2

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

Level 3

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

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

₹ in Million

Particulars	31-Mar-19	31-Mar-18
Financial Assets		
Financial investments as FVTPL		
Investment in Quoted Shares (Level 1)	0.02	0.03

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 39 Fair Values (Contd..)

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 2019 and 2018.

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-19	Year Ended 31-Mar-18
INR Loans*	+ 50 Basis Points	(0.03)	(0.00)
INR Loans*	- 50 Basis Points	0.03	0.00

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

Foreign Currency Risk

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

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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

Liabilities/Assets

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Liabilities		
USD	0.25	0.21
EURO	0.08	0.08
Assets		
USD	0.18	-
EURO	0.07	0.02

Liabilities/Assets

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Liabilities		
USD	17.35	13.37
EURO	5.98	6.10
Assets		
USD	12.34	-
EURO	5.66	1.73

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

Particulars	Increase/decrease in basis points	Effect on profit before tax for the year	
		31-Mar-19	31-Mar-18
USD	Appreciation in INR by 5%	0.25	0.67
USD	Depreciation in INR by 5%	(0.25)	(0.67)
EURO	Appreciation in INR by 5%	0.02	0.22
EURO	Depreciation in INR by 5%	(0.02)	(0.22)

Credit Risk

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

Trade Receivables

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

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

The management believes that the trade receivables as on 31 March 2019 and 2018 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

Ageing of Trade Receivables

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
0-6 Months past due	214.12	120.97
6-12 Months past due	1.81	0.69
More than 12 months	0.12	0.19
Total	**216.05**	**121.85**

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 2019 and 2018 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 2019				
Borrowings	92.84	390.67	-	483.51
Other Non-Current Financial Liabilities	-	181.66	-	181.66
Trade Payables	363.35	-	-	363.35
Other Current Financial Liabilities	151.80	-	-	151.80
	608.00	**572.33**	**-**	**1,180.32**

₹ in million

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2018				
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**

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-19	As at 31-Mar-18
Borrowings	483.51	7.65
Trade Payables	363.35	344.21
Less: Cash and cash equivalents	101.38	171.44
Net Debt (A)	**745.48**	**180.42**
Equity (B)	**1,579.90**	**1,186.88**
Net Debt/ Equity Ratio (A/B)	**47.19%**	**15.20%**

ANNEXURE–V NOTES TO FINANCIAL INFORMATION

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.

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,

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

(iv) Gratuity benefits

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

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

(v) Taxes

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

Note No: 43 Distributions made and Proposed

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Amounts recognised as distributions to equity holders:		
Interim Dividend (Including Dividend Tax) (₹ In million) (A)	-	-
Per Share Dividend (Amount in ₹)	-	-
Proposed Dividend (Including Dividend Tax) (₹ in million) (B)*	71.16	11.86
Per Share Dividend (Amount in ₹)	3.00	0.50
Total Dividend (A+B)	**71.16**	**11.86**

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

The Board has recommended dividends on equity shares @ 60% on paid up share capital of the company i.e 3.00 per paid up equity share , are subject to approval at the ensuing annual general meeting and are not recognized as a liability (including Dividend distribution tax thereon) until approved by shareholders.

Dividend Distribution Tax amounting to ₹ 19445 which was not paid by the due date, has been paid on 16/08/2019 along with interest.

Note No: 44 Disposal of Investment in Subsidiary

During the year 2017-18, the Company 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 Statement of profit and loss.

Note No: 45 Events after the reporting period

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

Note No: 46 Applicability of Ind AS 115

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.

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 46 Applicability of Ind AS 115 (Contd..)

The effective date of adoption of Ind AS 115 is the financial year beginning on or after April 01, 2018. The Company adopted 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 were not retrospectively adjusted. The effect on adoption of Ind AS 115 is negligible or insignificant, hence, the effect of Ind AS 115 is not reflected in the financials.

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

Ind As 116, Lease Accounting

The Ministry of Corporate Affairs (""the MCA"") notified the Ind AS 116, Lease Accounting. The core principle of the new standard is the changes in accounting treatment of leases for the lessee.

The effective date of adoption of Ind AS 116 is the financial year beginning on or after April 01, 2019. The Company will adopt the standard on April 01, 2019 , comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The effect on adoption of Ind AS 116 is expected to be insignificant.

The above statement should be read together with significant accounting policies in Annexure V, restatement 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
Independent Director
DIN: 07094705

Place: Faridabad
Date: 22nd August,2019

Place: Faridabad
Date: 22nd August,2019

Manish Mehta
Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE–VI ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

First Time Adoption

The Statement of assets and liabilities of the Company as at March 31, 2019 and 2018 and the Statement of profit and loss, the Statement of changes in equity and the Statement of cash flows for the years ended March 31, 2019 and 2018 and 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) 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. For the purpose of Proforma standalone Ind AS financial information for the year ended March 31, 2016, 2015 and 2014, the Company has continued with the classification of finance and operating leases on the date of transition (i.e. April 01, 2016).

(ii) 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 Proforma 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–VII STATEMENT OF ACCOUNTING RATIOS

₹ in Million

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Basic and Diluted Earnings per Share (₹)	20.92	16.71
Return on Net Worth (%)	26.06%	27.70%
Net asset value per equity share (₹)	80.29	60.32
Number of equity shares for Basic and Diluted Earnings Per Equity Share	1,96,76,700	1,96,76,700
Net Profit after tax, as restated (₹ In million)	411.72	328.81
Closing Number of Equity Shares	1,96,76,700	10,93,150
Equity Share Capital (₹ In million)	98.38	10.93
Other Equity (₹ In million)	1,481.52	1,175.95
Net Worth (Total Equity) (₹ In million)	1,579.90	1,186.88

Notes:

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

Basic Earnings per share (₹) = $\dfrac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Number of equity shares outstanding during the year}}$

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

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

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

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

3. 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, the same has been approved by the members at the Extra-ordinary General Meeting (EGM) held on July 07, 2018. 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, the same has been approved by the members at the Extra-ordinary General Meeting (EGM) held on July 07, 2018.

4. The above ratios have been recomputed giving effects to bonus and split of equity shares as per ICDR Regulations.

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 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 and notes to the Standalone financial statements in Annexure V.

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 37th Annual General Meeting of the Members of STUDDS ACCESSORIES LIMITED will be held on Saturday, 28th September 2019 at 04.00 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 the Audited Standalone Financial Statements of the Company for the Financial Year 2018-19, together with Report of the Auditors and Directors thereon.
2. To declare Final Dividend of ₹ 3 per Equity Shares (i.e.60% on Paid up Value of ₹ 5/- each) for the Financial Year 2018-19.
3. To appoint a Director in place of Mr. Sidhartha Bhushan Khurana (DIN: 00172788), Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.

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: 22nd August, 2019

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF 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. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers in the attendance slip for attending the Meeting.
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 ₹ 3 per equity share, i.e. @ 60% on the paid-up share capital, for the year 2018-19, 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, 2019.
9. Members are requested to notify all the changes, if any, in their addresses/particulars to the Company.
10. 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.
11. 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.
12. 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.

13. 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.

14. 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.

15. At the 36th AGM held on September 28, 2018 the members approved appointment of M/s. Rajan Chhabra & Co., Chartered Accountants (ICAI Firm Registration no. 009520N), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 41st AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 37th AGM.

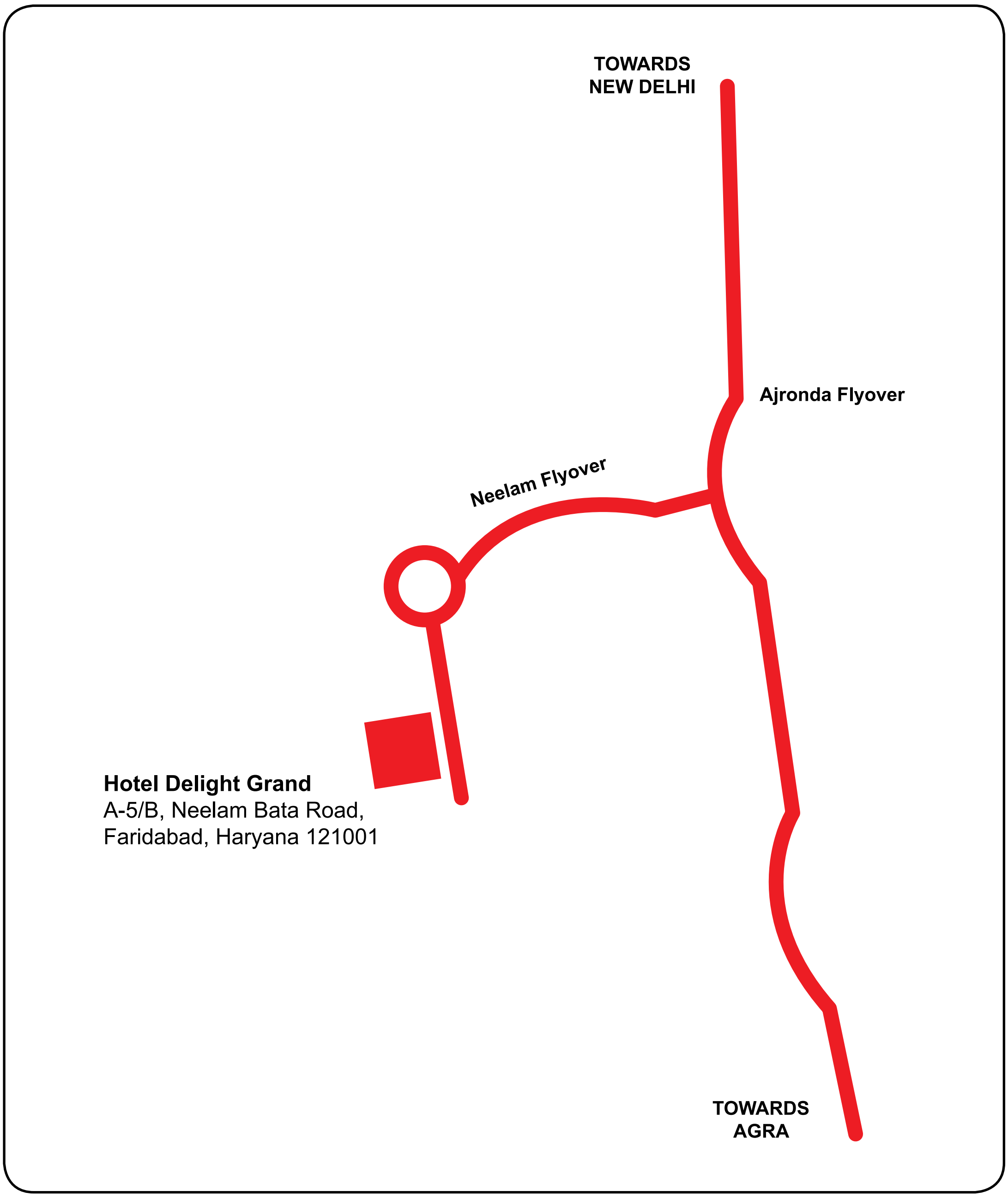
16. Route Map showing directions to reach to the venue of the 37th AGM along with prominent land mark is given at the end of the Notice.

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: 22nd August, 2019

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 (in BLOCK letters) 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 37th Annual General Meeting of the Company held on Saturday,28th September 2019 at 4:00 P.M at Hotel Delight Grand, A-5/B, Neelam Bata Road, Faridabad-121001, Haryana, India.

Signature of Member/Proxy

Note:

1. Please complete the Folio/DP ID-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 members.

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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:____

Registered E-mail ID:____________________ Folio No.(DP ID and Client ID):____________________

I/We being the Member(s) of____________________ shares of STUDDS ACCESSORIES LIMITED hereby appoint

1. Name____________________ E-Mail ID:____________________

   Address:____

   ____________________ Signature:____________________, or failing him/ her

2. Name____________________ E-Mail ID:____________________

   Address:____

   ____________________ Signature: ____________________, or failing him/ her

3. Name____________________ E-Mail ID:____________________

   Address:____

   ____________________ 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 37th Annual General Meeting of the Company to be held on Saturday, 28th September 2019 at 4:00 P.M at Hotel Delight Grand, A-5/B, Neelam Bata Road, Faridabad-121001, Haryana, India and at any adjournment thereof in respect of such as are indicated below:

**I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	**Vote (optional, see note 4) Please mention no. of shares**	
	For	**Against**
1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year 2018-19, together with Report of the Auditors and Directors thereon 2. To declare Final Dividend of ₹ 3 per Equity Shares (i.e.60% on Paid up Value of ₹ 5/- each) for the Financial Year 2018-19 3. To appoint a Director in place of Mr. Sidhartha Bhushan Khurana (DIN: 00172788), Managing Director, who retires by rotation and being eligible, offers himself for re-appointment		

Signed this ....day of..............2019.

Affix Revenue Stamp of not less than ₹ 1

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 the resolutions, your Proxy will be entitled 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

Notes

STUDDS ACCESSORIES LIMITED

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