SMK

STUDDS

RIDE YOUR DREAMS

Studds Accessories Limited | Annual Report 2019-20

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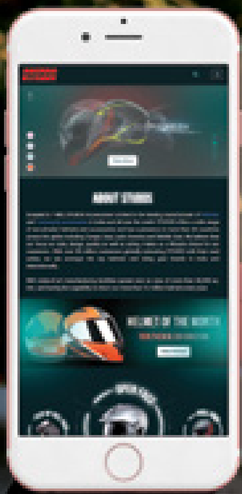


For more information about the company log on to **www.studds.com**

Cautionary statement

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

SAFEGUARDING LIVES IS OUR PRIMARY MOTTO.

Staying true to our commitment, we are armed with the wherewithal to create a perfect blend of innovation, excellence and quality to produce truly remarkable products that ensure maximum safety and security of Two Wheeler Riders.

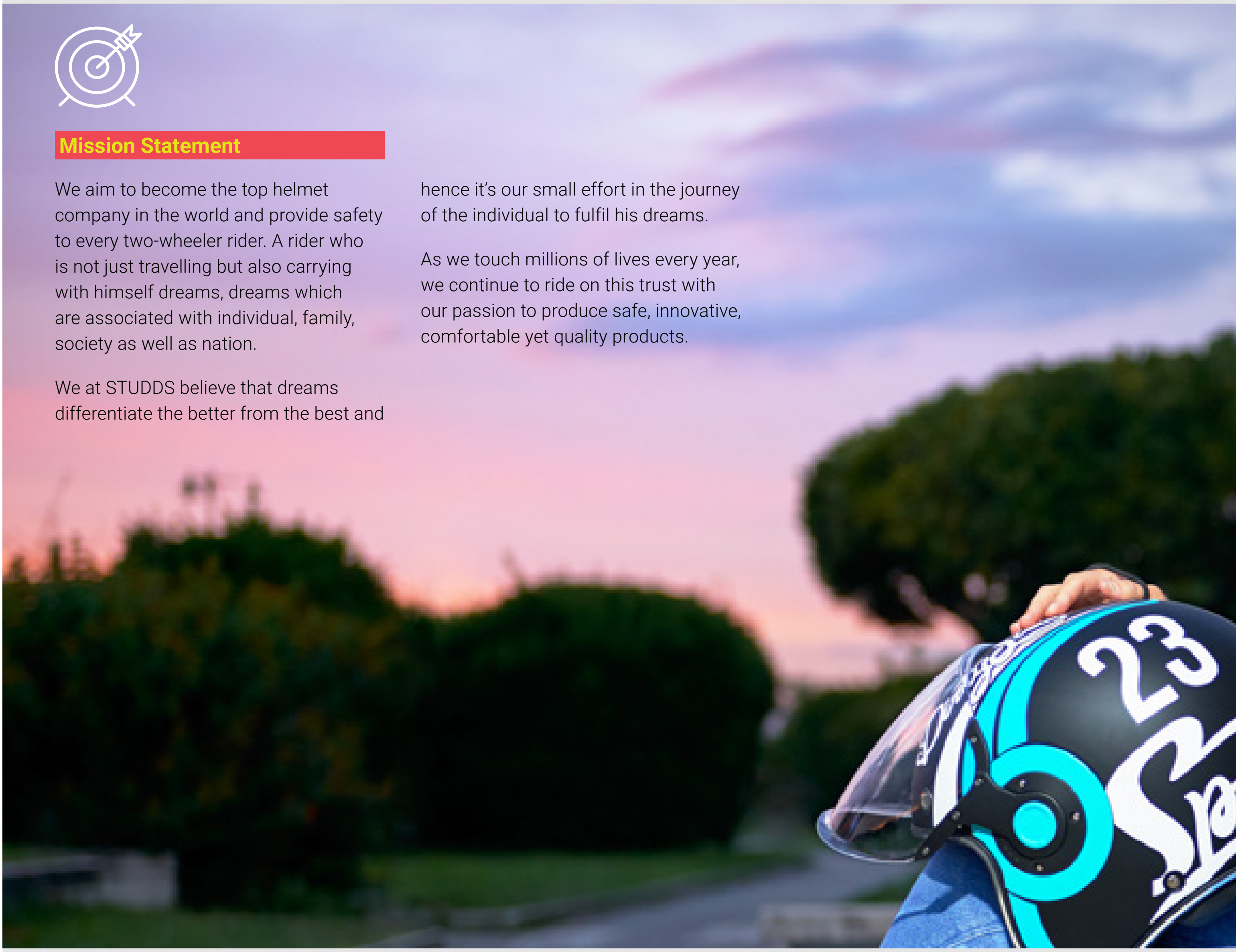
At Studds, we believe in creating a differentiated niche. While the desire to grow and expand exponentially drives us to explore newer avenues, we remain rooted to our customer centric attitude to raise the bar, every time. We understand our consumers' concerns for road safety and have accordingly designed a fine array of stylish yet safe products.

On our road to success, we have deeply ingrained a strong financial discipline, relied on our exceptional manufacturing capacities and our talented pool of experts to derive synergistic outcomes. As we take flight and aim for greater heights of success, we are prepared to take you along – empowering you to ride your dreams!

KNOW MORE ABOUT STUDDS

From manufacturing our first helmet in a garage to manufacturing 7 million helmets and motorcycle luggage every year, Studds Accessories Limited has today grown to become the largest two-wheeler helmet manufacturer in the world.

Headquartered in Faridabad, the Company has four state-of-the-art facilities manufacturing an extensive array of over 50 products. Backed by a rich legacy, a strong product portfolio and a robust dealer network, the Company has more than 26% market share in India and offers products to more than 40 countries across the globe.



Mission Statement

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

We at STUDDS believe that dreams differentiate the better from the best and hence it's our small effort in the journey of the individual to fulfil his dreams.

As we touch millions of lives every year, we continue to ride on this trust with our passion to produce safe, innovative, comfortable yet quality products.

6.65 million

Helmets manufactured in 2019-20

40 countries

Export presence in more than

Largest*

Manufacturer of Helmets in the world

25.66 %

Indian market share

Our Business Verticals

Helmets

Motorcycle accessories

Face Shields, Face Masks

Bicycle helmets

*Source: Frost & Sullivan Report dated August, 2018

OUR
GLOBAL REACH

Australia
Argentina
Austria
Bangladesh
Burkina Faso
Belarus
Bahrain
Cambodia

Chile
Costa Rica
Denmark
Dubai
El Salvador
France
Germany
Guatemala

Israel
Italy
Jamaica
Kuwait
Maldives
Netherlands
Nepal
Norway

Pakistan
Panama
Philippines
Poland
Portugal
Qatar
Rwanda
Senegal

Singapore
Spain
Sri Lanka
Turkey
Uganda
USA
Ukraine
UK

Thailand
Nigeria
Mexico
Mauritius
Taiwan

OUR MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

Dear Shareholders,

Over the last 3 decades, your company has come a long way from manufacturing its first helmet with limited capital to becoming one of the top brands in the industry. Our diligence, hard work and our innovative approach paved the path for sustainable growth and today, resting on our innovative approach, we do not settle for anything but the best. At STUDDS, we do not just make helmets, but innovate inspiring designs that offer unmatched safety. Our helmets go through stringent testing and are approved by testing labs in India, and Europe, vouching for its ability to safeguard two-wheeler riders across the world.

Despite volatilities we performed well and our top line grew by 10.85%. Besides, growth in the top line, our operating EBIDTA grew at 41.16% and our Profit After Tax grew by 81.05% from the preceding year.

We have been focusing on the further development of our state-of-the-art manufacturing units and have relentlessly aspired to enhance skill development opportunities for our people. We have also made significant investments to develop a world-class R&D facility, backward integration by manufacturing EPSL in our plant, with an endeavour to improve the quality of our products and meet stringent safety standards. Looking ahead, we aspire to enhance our operational efficiency and invest in latest technology to innovate unique products.

During the year, we continued to focus on expanding our markets further. It not only allowed us to gather insight about evolving consumer tastes and preferences, it also enabled us to further diversify our market to explore new opportunities. We also continue to focus on the replacement market, to capitalize on a relatively untapped market.

With an already established distribution network, we continued to focus on further extending our dealer and distributor count, both in the domestic and international markets. During the year, we stepped up efforts to improve relations with our dealers and distributors and it helped to significantly increase our market share. As on 31st March 2020, our network of 385 dealers is spread across the globe and 7 EBO's in India.

During the year, the benefits of our ongoing investments have become visible in our improved business momentum. Our commitment to innovation and our zeal to remain at the forefront of a rapidly changing business environment have immensely contributed to our growth.

Keeping customer convenience at the core of our efforts, we are continuously improving our techniques to produce helmets that are safe and lightweight. This is likely to further expand our market share as the demand for lighter helmets continue to rise. We also focused on increasing the visibility of our accessories segment. Accordingly, we introduced several new products during the year i.e. Titan Fiber, Titan Carbon, Sub Urban. We plan to further bolster the segment with the launch of riding gear, jackets, armours, elbow guards, knee guards and shoes.

At the moment, we are poised to confidently weather the storm, resting on our comfortable financial position and a robust business model. Our consistent focus on strategic executions have empowered us to deliver exceptional performance, year after year and deliver outstanding value for all our stakeholders. We would like to reiterate the contribution of our employees in our success and I express my sincerest gratitude to our people for their continued dedication and hard work, even amidst the recent period of turbulence. Lastly, I am thankful to all our stakeholders for their continued support, trust and faith in our company. Looking forward, we envision a year of growth and opportunities, to amplify our prospects in the days ahead.

Regards,

Madhu Bhushan Khurana
Chairman and Managing Director

We have also made significant investments to develop a world-class R&D facility, backward integration by manufacturing EPSL in our plant, with an endeavour to improve the quality of our products and meet stringent safety standards.

DELIVERING SUSTAINABLE VALUE – YEAR AFTER YEAR

Capitals	Inputs
Manufacturing Capital Our state-of-the-art infrastructure for two-wheeler helmet and accessories production, logistics and warehousing enables us to foster a robust manufacturing and supply chain.	• Number of Manufacturing Facilities: **4**
Human Capital The skills, know-how, capabilities and experience of our diverse workforce plays a critical role in achieving organizational objectives. We promote innovative thinking and equip employees with appropriate training and skill development opportunities to ensure professional as well as personal growth.	• Number of employees: **2053**– On-rolls; **1299** - Off-rolls-**754** • Investment in Employee Engagement Initiatives: **₹ 0.5 million**
Social and Relationship Capital Our trust-based, mutually beneficial relationships with key stakeholders such as investors, customers, vendors, the government and the society at large.	• CSR Spend: **₹ 10.1 million**

Our Processes

Outcomes

- Total Two-wheelers helmets sold : **6.65 millions** (Domestic + Global)
- Domestic market share in: Two-Wheelers helmets: **25.66%***

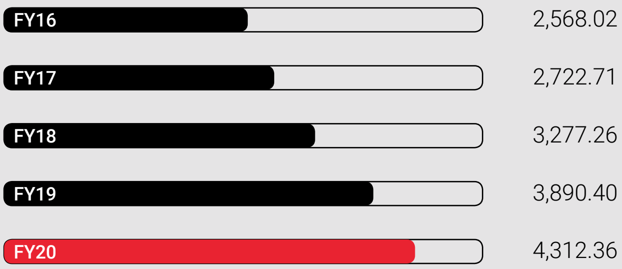
- Trained, engaged and motivated workforce
- Skill development
- Attrition rate: **12%** (total on roll strength)

- Active engagement with local communities through dedicated social and environmental initiatives

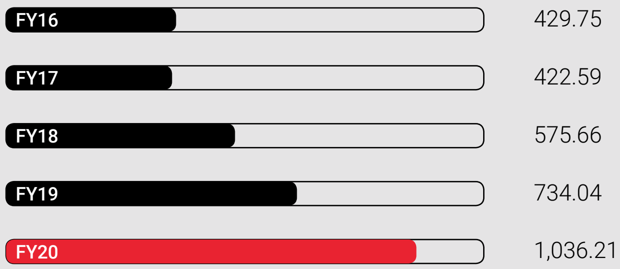
*Source: Frost & Sullivan Report dated August, 2018

FINANCIAL HIGHLIGHTS- GROWING COMPETITIVE

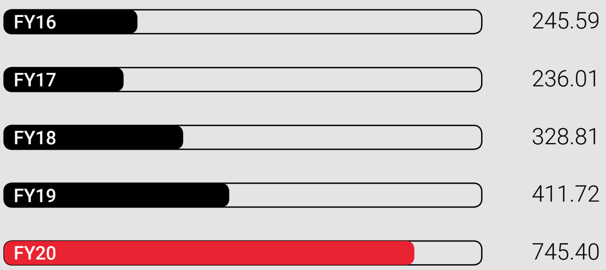
Revenue from operations
(₹ in millions)



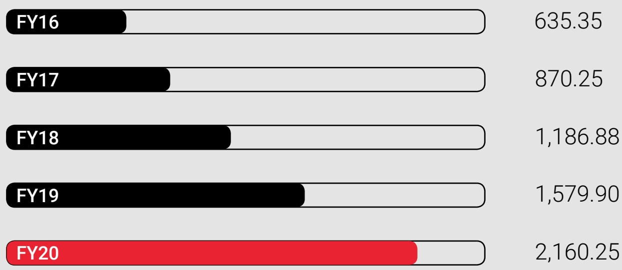
EBITDA
(₹ in millions)



PAT
(₹ in millions)



Net worth
(₹ in millions)



EPS
(₹)

FY16	12.48
FY17	11.99
FY18	16.71
FY19	20.92
FY20	37.88

BOLSTERING OUR R&D EFFORTS

Addressing our core concern – the safety of two-wheeler riders – we strive to continuously step up our research and development initiatives. While we aspire to deliver stylish and safe products, our relentless focus on innovation allows us to maintain a competitive edge over our peers. We are therefore, constantly relying on our R&D capabilities to offer pioneering products that set new benchmarks in the industry.

Built for the future

With 4 state-of-the-art facilities, the perfect combination of latest equipment, industry talent and expertise, we continue to strengthen our R&D initiatives.

Remaining true to our organisational vision to 'provide safety to every two-wheeler rider', Studds is adopting new technology, encouraging product innovation and designing newer safety solutions to always stay a step ahead of competition.

EXPLORING EMERGING MARKETS

The global helmet market is largely fragmented. But, government mandates to encourage the use of helmets for riders as well as pillions have resulted in increased sales and have opened up new opportunities for the helmet market in India and abroad.

As a leading helmet and biking accessories manufacturer, Studds remains poised to explore prospects by leveraging its expertise and experience. We continue to identify market needs and aspire to deliver products that cater to varied user segments. Our products are designed to meet the expectations of ardent bikers and regular riders. Therefore, we never shy away from experimenting and innovating new products.

While we continue to fortify our leadership in the domestic market, we are expanding our capacities beyond borders. We also realize the potential to grow in new and emerging markets

NEW LAUNCHES - FY 2019-20

Titan Fiber

Titan Carbon

Sub-Urban

PEOPLE POLICY
BUILDING A WINNING CULTURE

Performing competitively in the evolving landscape requires competent and empowered people working together across STUDDS.

We recruit, train and recompense people according to a strategy that aims to organise our businesses effectively. Our people are essential to the successful delivery of the STUDDS strategy and to sustaining business performance over the long term. We accelerate development of our people; grow and strengthen our leadership capabilities; and enhance employee performance through strong engagement.

RESPONSIBLY NURTURING COMMUNITY DEVELOPMENT

Our approach to business has always been simple and purposeful—we make a great product that has a positive impact on the lives of our customers. We've approached corporate social responsibility (CSR) with a similar enthusiasm and clarity – to pursue profit with purpose. Our goal remains to utilize our resources for shaping a sustainable world.

We are proud to drive positive environmental and social change within our areas of operation. We recognize that as our company grows, so do our responsibilities. Therefore, we strive to adopt sound environmental and social policies to ensure sustainable development of our natural environment and the communities around us.

To make a meaningful impact on people, we continue to enhance our focus on developing model villages and persistently aim to improve facilities for Education, Health & Sanitation, Water & Watershed management, Digitalization and Skill Development. We also facilitate a culture of caring within the organization by encouraging employee volunteering initiatives.


Homage and support to
India's Bravehearts
Ministry of Home Affairs Government of India
सत्यमेव जयते

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 AND ANALYSIS

Global Economy Overview

The global economy continued to witness a slowdown with a growth rate of 2.9% in 2019. One of the major factors that contributed to the economic decline was the trade war between the U.S. and China. During the year, turmoil in the biggest economies in the world was reflected in a muted growth of the global economy. The growth rate also plummeted due to a sharp deterioration in manufacturing activity and global trade, with higher tariffs and prolonged trade policy, uncertainty damaging investment and demand for capital goods. Rising interest rates, fluctuating crude oil prices, geo-political instability and inflation also impacted the global economy.

The economy was also severely hit by the COVID-19 pandemic. It not only took a heavy toll of human lives but, inflicted unfathomable hardships on businesses and completely stalled economic activity around the world. Countrywide lockdowns were imposed to arrest the virus outbreak and almost all sectors were affected due to the ensuing crisis.

However, favourable fiscal policies and stimulus packages have been announced to bring the economy back on track. The International Monetary Fund, the World Bank and the European Central Bank (ECB) also remains motivated to change and foster growth in an ailing economy.

Global growth is projected at –4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO). The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020.

Europe

The Euro area recorded a growth of 1.3% in 2019, owing to uncertainties around trade policies and issues pertaining to BREXIT. Declining export demand, lower oil prices and sustained deterioration in the automobile industry severely affected growth in the Euro area and particularly impacted the German economy.[1]

The COVID-19 pandemic struck Europe with great ferocity. Most European countries resorted to several containment measures ranging from lockdowns and travel restrictions to school closures and bans on large gatherings. In Europe's major economies that account for about one-third of the total output, non-essential services closed by government decree. This led to a significant drop in overall GDP. Given the immense disruptions caused by the pandemic, the economy is expected to contract by 10.2% in 2020.

Several key policy measures aimed at reviving the economy have been undertaken to mitigate the damage inflicted by the pandemic. Backed by various initiatives, the Euro area is expected to witness robust recovery with a projected growth rate of 6% in 2021[2].

Latin America

Economic activity in Latin America and the Caribbean stagnated in 2019 with a growth rate at 0.1%. The weak momentum reflects the structural and cyclical factors impacting the economy. Factors like low investment, slow productivity growth, a weak business environment, and the poor quality of infrastructure and education has led to a slowdown in the economy. Cyclic factors like declining global growth and commodity prices, elevated economic policy uncertainty, economic rebalancing in some economies and social unrest also contributed to declining growth.

Due to the COVID-19 pandemic, domestic and regional risks also intensified. Economic policy uncertainty can linger due to heightened social tensions and policy slippages. The economy is, therefore, projected to contract by 9.4% due to the disruptions caused by the pandemic and on account of existing unfavourable factors.

However, gradual pick up in commodity prices, continued monetary support, reduced economic policy uncertainty and a gradual recovery of stressed economies is expected to support economic revival in the near term. For FY21, economic growth is projected to touch 3.7%, indicating some positivity after years of sluggish growth.

Asia

The Asian economy is a major growth driver for the global economy. However, during the year, growth in Asia slowed to 5.5% due to trade tensions, a downturn in the electronics segment and weakening domestic investments. As the economy started to recover with positive developments in trade policies between the U.S. and China, the momentum halted due to the COVID-19 pandemic, which has severely affected lives and livelihoods in the East Asia and Pacific region (EAP). Owing to the subsequent lockdowns, tighter finances and a deep contraction of exports, growth in the Asian economy is projected to contract by 0.8% in 2020. Sizable policy support, however, is expected to prevent a severe deceleration.

Going forward, as global import demand recovers and capital flows to the region normalize, the Asian economy's growth is expected to rebound to 7.4% in 2021. Powerful economic and financial policy support is also expected to lead faster recovery.

Indian Economy Overview

The effects of a constant weakness in the global economy trickled down to the Indian economy as well and softened growth during the year. It registered a growth of 4.2% in FY 2019-20. Factors such as subdued consumer demand, decline in Index of Industrial Production (IIP) output, turbulence in non-banking financial institutions and lower investments further hampered growth prospects.

To add fuel to fire, the COVID-19 pandemic and the ensuing lockdowns from the last week of March 2020, adversely impacted the Indian economy. It disrupted supply chains and halted production as businesses were compelled to shut down temporarily. However, economic activity resumed in phases as the lockdowns continued to be lifted from time to time.

The government of India also announced policy support for individuals as well as businesses to provide relief during the crisis. It also initiated

[1]https://ec.europa.eu/info/sites/info/files/economy-finance/ecfin_forecast_autumn_2019_special-issue-2_en.pdf

efforts to revive MSMEs. Apart from this, the government announced a stimulus package of Rs. 20 lakh crore to revive the Indian economy and support ailing industries.

The Indian economy is projected to contract by 4.5% in 2020 owing to severe disruptions of economic activity due to the COVID-19 pandemic. But, favourable policies and fiscal measures are likely to stimulate growth and the economy is expected to recuperate with a robust growth of 6% in 2021.

Indian Economy GDP growth rate (in %)

Two-wheeler Industry Overview

The two-wheeler market in India witnessed significant growth over the last decade. Increased demand from urban and semi-urban areas and a relatively low cost of ownership propels growth of this segment. It is also a preferred alternative to public transports and four-wheelers, making it a popular choice for the masses.

The COVID-19 pandemic also impacted production and demand. As businesses resumed in phases, after the lockdown, the industry reported sharp recovery. Amidst the pandemic, demand for two-wheelers shot through the roof as people looked for safer alternatives to public transport. Besides, its affordability and ease of use is likely to increase demand in the near future.

Going forward, the two-wheelers industry is expected to witness sustained growth till 2024 with a forecasted sales volume of 24.89 million units, up from 21.19 million in 2019[4], growing at a CAGR of 7.33%.. Other factors like burgeoning demand from rural areas, rise of an aspirational middle class, growing urbanization and rising disposable income are expected to drive growth of this segment.

Helmet Industry Overview

Helmets ensure the safety and security of motorcycle and scooter riders, reducing chances of head injuries and prevents serious mishaps in the instance of road accidents. Due to growing road accidents and fatalities, and below par road infrastructure in India, the demand for safer helmets have increased. Emphasizing the need to enforce road safety, in several places, helmets for riders as well as pillions have been mandated by the government. This is one of the major reasons for the increasing demand for helmets. India is also the world's largest two-wheeler market and has therefore, become the largest market for two-wheeler helmets.

Amendment of Section 129 of the Motor Vehicle Act strictly enforces certain guidelines for wearing helmets that ensure safety. According to the Act, every motorcycle rider should wear an ISI marked helmets which complies with Safety Standards specified by Bureau of Indian Standards. As customers continue to seek the best quality helmets, the branded helmet segment is anticipated to witness rapid growth. It is also likely to be extremely beneficial for companies like Studds, which is among the leading players in the Indian Two-Wheeler Helmet market.

The Indian Two-Wheeler Helmet industry is projected to grow at a CAGR of 14% during 2021-2026[5], owing to stringent road safety regulations and strict implementation of safety measures for commuters as well as helmet manufacturers.

Rising awareness about road safety is also going to contribute to the growth of the two-wheeler helmet industry. Governments is keen to reduce deaths due to road accidents and is therefore, enforcing stringent road safety laws pertaining to the use of helmets, seat-belts, child restraints, drunk drinking, speeding etc. All these factors are likely to drive growth of this segment.

Company Overview

About Us

STUDDS Accessories Limited is a leading manufacturer of helmets and motorcycle accessories. Since its inception in 1983, over 3 decades, the company has continuously innovated products to ensure the safety to two-wheeler riders. It offers a wide range of two-wheeler helmets and accessories and possesses state-of-the-art manufacturing facilities, equipped to deliver over 13.2 million helmets every year. STUDDS has a strong global presence across Europe, Asia, Latin America and the Middle East, covering more than 40 countries around the globe. The company's continuous emphasis on safety along with style, design and quality has created a loyal following for its unique products.

Financial Review

The information provided in this section relate to the Standalone financial results pertaining to the year ended 31st March 2020. The table below provides an overview of key financial parameters

Key Ratios

The key financial ratios are given below:

Ratios	FY 2019-20	FY 2018-19
Current Ratio (in times)	1.22	1.52
EBITDA Margin (in %)	24.03	18.87
PAT Margin (in %)	17.29	10.58
Return on Net Worth (in %)	34.51	26.06

[4]https://www.prnewswire.com/news-releases/indian-two-wheeler-market-insights-2019-2024---hero-motocorp-dominated-2019-followed-by-honda-motorcycle--scooter-india-301007654.html

[5]https://www.businesswire.com/

DIRECTORS' REPORT

On behalf of the Board of Directors (the "Board") of the Company, it gives me immense pleasure to present the 38th Director's Report, along with the Balance Sheet, Profit and Loss account and Cash Flow statements, for the financial year ended March 31, 2020.

1. FINANCIAL PERFORMANCE

The standalone and consolidated financial statements for the financial year ended March 31, 2020, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

Key highlights of financial performance of your Company for the financial year 2019-20 are provided below:

Particulars			**(₹ In millions)**
	Standalone		**Consolidated**
	2019-20	**2018-19**	**2019-20**
Revenue from Operations	4312.36	3890.40	4312.36
Other Income	57.10	82.13	57.10
Total Income	**4369.46**	**3972.53**	**4369.46**
Profit before Finance Cost, Depreciation and Amortization Expenses	1036.21	730.93	1036.44
Finance Cost	9.14	3.11	9.14
Profit before Depreciation	1027.07	734.04	1027.30
Depreciation	72.84	59.32	72.84
Profit Before Tax	954.23	671.61	954.46
Tax Expenses			
Current Tax	243.39	251.03	243.46
Deferred Tax	(33.53)	7.36	(33.53)
Tax Related to earlier periods	(1.02)	1.50	(1.02)
Profit after tax	745.40	411.72	745.56
Transfer to General Reserve and Surplus	-	-	-
Face Value per Equity Share (in Rs.)	5/-	5/-	-
Earnings Per Share			
Basic EPS	37.88	20.92	37.89
Diluted EPS	37.88	20.92	37.89

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 and consolidated basis for the year under review is given below:-

Particulars			**(₹ In millions)**
	Standalone		**Consolidated**
	2019-20	**2018-19**	**2019-20**
Sales	4312.36	3890.40	4312.36
EBITA	1036.21	734.04	1036.44
Profit for the year	745.40	411.72	745.56

3. DIVIDEND

Pursuant to the approval of the Board on February 08, 2020, your Company paid an interim dividend of ₹ 4/- per equity share of face value of ₹ 5/- each, to shareholders who were on the register of members as on February 7, 2020, being the record date fixed for this purpose

4. RESERVES

During the financial year 2019-20, 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 2019-20 of the Company to which Balance Sheet and Board Report relate, which affects the financial position of the Company except elsewhere mentioned in this report.

6. CHANGE IN THE NATURE OF BUSINESS

During the financial year 2019-20, 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 during the financial year 2019-20.

8. SHARE CAPITAL

During the financial year 2019-20, there is no change in the Share Capital of the Company.

9. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on March 31, 2020, the Company has one wholly owned subsidiary company SMK EUROPE UNIPESSOAL LDA. SMK EUROPE UNIPESSOAL LDA was incorporated on July 30, 2019.

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

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)

Your Company's Board consists of leaders and visionaries who provide strategic direction and guidance to the organization. As on March 31, 2020, the Board comprised two Executive Directors and three non-executive Independent Directors including one Woman Director.

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

All the Independent Directors of the Company have registered themselves in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ("IICA"). In terms of section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2020, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. The Independent Directors, whosoever is required shall undertake the said proficiency test.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board in their Meeting held on February 08, 2020 has approved the appointment of Mr. Shanker Dev Choudhry (DIN-07094705) and Ms. Pallavi Saluja (DIN-07006557) for a further term of five years from March 02, 2020 up to March 01, 2025, subject to the approval of shareholders through Special Resolution. Based on their skills, experience, knowledge and report of their performance evaluation, the Board was of the opinion that their association would be of immense benefit to the Company and it would be desirable to avail their services as Independent Directors. The notice convening the 38th Annual General Meeting includes the proposal for re-appointment of Independent Directors.

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 (DIN: 00172788), Managing Director retires by rotation at the forthcoming Annual General Meeting (AGM) and is offering himself for re- appointment.

The tenure of Mr. Madhu Bhushan Khurana (DIN: 00172770), as a Chairman and Managing Director of the Company upto September 30, 2020.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board in their Meeting held on August

31, 2020 has approved the re-appointment of Mr. Madhu Bhushan Khurana (DIN: 00172770), as a Chairman and Managing Director for a further term of five years from October 01, 2020 up to September 30, 2025, subject to the approval of shareholders through Ordinary Resolution. Based on this skills, experience, knowledge and report of his performance evaluation, the Board was of the opinion that his association would be of immense benefit to the Company and it would be desirable to avail his service as Chairman and Managing Director. The notice convening the 38th Annual General Meeting includes the proposal for the re-appointment of Mr. Madhu Bhushan Khurana (DIN: 00172770), as a Chairman and Managing Director.

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

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

The Directors of the Company as on March 31, 2020:-

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

The Key Managerial Personnel of the Company as on March 31, 2020:-

Sl. No	Name of the Director	Designation
1	Mr. Manish Mehta	Chief Financial Officer
2	Mr. Saurav Kumar	Company Secretary

12. INDEPENDENT DIRECTORS MEETING

During the year under review, a separate meeting of the Independent Directors of the Company was held on February 08, 2020, without the presence of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of Chairperson of the Company and assessed the quality, quantity and timelines of flow of information between the Company Management and the Board in terms of Schedule IV of the Companies Act, 2013. All the Independent Directors of the Company were present in the meeting.

13. MEETING OF BOARD OF DIRECTORS

The Board met six (6) times during the financial year ended March 31, 2020 i.e. on April 04, 2019, June 08, 2019, June 27, 2019, August 22, 2019, November 23, 2019, and February 08, 2020.

The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 read with Secretarial Standards -1.

The Details regarding Attendance of Directors in the above Board Meetings are as follows:

Name	Director Identification Number	Designation	No of Board Meetings held	No of Meetings Attended
Mr. Madhu Bhushan Khurana	00172770	Chairman and Managing Director (Executive Director)	6	6
Mr. Sidhartha Bhushan Khurana	00172788	Managing Director (Executive Director)	6	6
Mr. Shanker Dev Choudhry	07094705	Independent Director (Non-Executive)	6	5
Ms. Pallavi Saluja	07006557	Independent Director (Non-Executive)	6	1
Mr. Pankaj Duhan	08093989	Independent Director (Non-Executive)	6	2

14. DIRECTORS RESPONSIBILITY STATEMENT

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

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

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

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

d) the annual accounts have been prepared on a going concern basis;

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

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

15. COMMITTEES OF THE BOARD

Currently, the Board has following Committees:

a) Audit Committee

b) Nomination and Remuneration Committee

c) Stakeholder's Relationship Committee

d) Corporate Social Responsibility Committee

a) AUDIT COMMITTEE

The Company has constituted an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and that the composition of the Audit Committee as on March 31, 2020 is as under:

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

All members of the Committee are financially literate and have accounting or related financial management expertise.

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

The Audit Committee met Four (4) times during the financial year 2019-20 viz. on June 08, 2019, August 22, 2019, November 23, 2019 and February 08, 2020.

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

Name	Director Identification Number	Designation	No of Audit Committee Meetings held	No of Audit Committee Meetings Attended
Mr. Shanker Dev Choudhry	07094705	Chairperson (Independent Director Non Executive)	4	4
Ms. Pallavi Saluja	07006557	Member (Independent Director Non-Executive)	4	0
Mr. Pankaj Duhan	08093989	Member (Independent Director Non-Executive)	4	2
Mr. Sidhartha Bhushan Khurana	00172788	Member (Managing Director)	4	4

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

b) NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Act, 2013 and that the composition of the Nomination and Remuneration Committee as on March 31, 2020 is as under:

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

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

The Nomination and Remuneration Committee met two (2) times during the financial year 2019-20 viz. on August 22, 2019, and February 08, 2020.

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

Name	Director Identification Number	Designation	No of Nomination and Remuneration Committee Meetings held	No of Nomination and Remuneration Committee Meetings Attended
Ms. Pallavi Saluja	07006557	Chairperson (Independent Director Non-Executive)	2	0
Mr. Shanker Dev Choudhry	07094705	Member (Independent Director Non Executive)	2	2
Mr. Pankaj Duhan	08093989	Member (Independent Director Non-Executive)	2	1
Mr. Madhu Bhushan Khurana	00172770	Member (Chairman and Managing Director)	2	2

c) STAKEHOLDER'S RELATIONSHIP COMMITTEE

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

The members of the Stakeholder's Relationship Committee are:

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

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

The Stakeholder's Relationship Committee met one (1) time during the financial year under review viz. on December 20, 2019.

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

Name	Director Identification Number	Designation	No of Stakeholder's Relationship Committee Meetings held	No of Stakeholder's Relationship Committee Meetings Attended
Mr. Shanker Dev Choudhry	07094705	Chairperson (Independent Director Non Executive)	1	0
Mr. Madhu Bhushan Khurana	00172770	Member (Chairman and Managing Director)	1	1
Mr. Sidhartha Bhushan Khurana	00172788	Member (Managing Director)	1	1

d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The members of the Corporate Social Responsibility Committee are:

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

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

The Corporate Social Responsibility Committee met one (1) time during the financial year 2019-20 viz. on August 22, 2019.

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

Name	Director Identification Number	Designation	No of Corporate Social Responsibility Committee Meetings held	No of Corporate Social Responsibility Committee Meetings Attended
Mr. Madhu Bhushan Khurana	00172770	Chairperson (Chairman and Managing Director)	1	1
Mr. Sidhartha Bhushan Khurana	00172788	Member (Managing Director)	1	1
Ms. Pallavi Saluja	07006557	Member (Independent Director Non-Executive)	1	0

16. AUDITORS

a) STATUTORY AUDITORS

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

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

Vide notification dated May 07, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each Annual General has been done away with. Accordingly, no such item has been considered in notice of the 38th Annual General Meeting.

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

b) SECRETARIAL AUDITORS

M/s. Vineet Gupta & Associates, Practicing Company Secretary were appointed to conduct the Secretarial Audit of the Company for Financial Year 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for Financial Year 2019-20 is attached as **Annexure -2** to this Report. The report of Secretarial Auditor is self-explanatory and therefore do not require further explanation or comments.

c) INTERNAL AUDITORS

Pursuant to section 138 of Companies Act, 2013, the Company had appointed Deloittee Touche Tohmatsu India LLP as Internal Auditor for the Financial Year 2019-20.

17. 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.

18. RELATED PARTY TRANSACTIONS

During the Financial Year 2019-20, all related party transactions that were entered were on an arm's length basis and were in the ordinary course of business.

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

19. CORPORATE SOCIAL RESPONSIBILITY

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 https://www.studds.com/investor-relations and brief of the same is disclosed in Board Report.

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

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

(a) 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. **https://www.studds.com/investor-relations.**

(b) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

(c) NOMINATION AND REMUNERATION POLICY

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

(d) VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

(e) COST RECORDS

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

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

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

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

(g) COMPLIANCE OF SECRETARIAL STANDARDS

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

(h) DISCLOSURE ON REMUNERATION TO EMPLOYEES EXCEEDING SPECIFIED LIMITS

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

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

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

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MR. MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770
ADD: 1349, SECTOR-14, FARIDABAD-121007, HARYANA

MR. SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788
ADD: 1349, SECTOR-14, FARIDABAD-121007, HARYANA

DATED: AUGUST 31, 2020
PLACE: FARIDABAD

ANNEXURE TO DIRECTOR'S REPORT

Annexure-1

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on March 31, 2020.

Part "A": Subsidiary

1	Name of the Subsidiary	SMK EUROPE UNIPESSOAL LDA
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2020
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary.	EURO (83.10)
4	Share Capital	3,00,000 (EURO)
5	Reserve and Surplus	1,899 (EURO)
6	Total Assets (including investments)	3,02,206.5 (EURO)
7	Total Liabilities (other than equity)	307.5 (EURO)
8	Investments	NIL
9	Turnover (excluding other income)	NIL
10	Profit/Loss before taxation	2,755.29 (EURO)
11	Provision for taxation	856.29 (EURO)
12	Profit after taxation	1,899 (EURO)
13	Proposed Dividend	NIL
14	% of Shareholding	100%

Part "B": Associates and Joint Ventures

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

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

FOR AND ON BEHALF OF THE BOARD
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ADD: 1349, SECTOR-14, FARIDABAD-121007, HARYANA

MR. SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788
ADD: 1349, SECTOR-14, FARIDABAD-121007, HARYANA

DATED: AUGUST 31, 2020
PLACE: FARIDABAD

Annexure-2

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

Form No.MR.3.

[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 Public 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, 2020 ("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, 2020 according to the provisions of:

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

(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;

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 provisions of the Act, Rules, Regulations and Guidelines to the extent applicable.

(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.

For Vineet Gupta& Associates
Company Secretaries
Firm Registration No.:

Vineet Gupta
CP No.: 11634
UDIN: A031753B000598572

Place: New Delhi
Date: 07/08/2020

Annexure-3

Form AOC-2

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

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

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

Sl. No.	Particulars	Details
(a)	Name (s) of the related party & nature of relationship	There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transaction	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

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

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MR. MADHU BHUSHAN KHURANA
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MR. SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788
ADD: 1349, SECTOR-14, FARIDABAD-121007, HARYANA

DATED: AUGUST 31, 2020
PLACE: FARIDABAD

ANNEXURE-4

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, promoting healthcare.

2. Ensuring environmental sustainability, conversation of natural resources and maintaining quality of soil, air and water etc.

2. Composition of CSR committee as on March 31, 2020

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

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

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

Average Net Profits-₹ 503.83 million

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

CSR Expenditure-₹ 10.08 million

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 ₹ 10.1 million 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:-

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs are undertaken	Amount outlay (budget) project or programs wise (In Million)	Amount spent on the projects or programs (In Million)	Cumulative expenditure upto the reporting period (In Million)	Amount Spent : Direct or through implementing agency
1	As per the CSR Policy of the Company	The Sector's identified by Studds Foundation as per the CSR Policy of the Company	Local Area	-	₹ 10.1	₹ 10.1	Implementing Agency Studds Foundation

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MR. MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770
ADD: 1349, SECTOR-14, FARIDABAD-121007, HARYANA

MR. SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788
ADD: 1349, SECTOR-14, FARIDABAD-121007, HARYANA

DATED: AUGUST 31, 2020
PLACE: FARIDABAD

ANNEXURE-5

Information Pursuant to Section 197 of The Companies Act, 2013 and Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 as on March 31, 2020

(a) Top 10 employees in terms of salary drawn during the year 2019-20

Sl. No.	Name of the Employees	Designation	Remuneration Paid (In Million)	Educational Qualifications	Date of Joining	Exp (Yrs.)	Age (Yrs.)	Previous Employment	% of Equity shares of the Company	Relative of any Director or Manager
1	Mr. Manish Mehta	Chief Financial Officer	4.07	Chartered Accountant	August 10, 2018	12	49	AC Mehta & Co.	NIL	NIL
2	Mr. Supratik Chattopadhyay	Vice President	3.42	Bachelor of Engineering in Electronics	June 06, 2014	26	52	Varroc Polymers Private Limited	NIL	NIL
3	Mr. Gaurav Bhola	General Manager	3.15	Bachelor of Engineering Master in Business Administration	April 22, 2019	7	31	Coats Group	NIL	NIL
4	Mr. Ram Vikram Kumar	Assistant Vice President	2.58	Bachelor of Engineering in Electronics Master in Mechanical Engineering	July 04, 2016	10	33	Mahindra Defence Land Systems India Limited	NIL	NIL
5	Mr. Siddharth Srivastava	Deputy General Manager	2.52	Post Graduate Diploma in Mould Design Technology	August 16, 2016	18	39	Subros Limited	NIL	NIL
6	Mrs. Chand Khurana	Vice President	2.34	Post-Graduation	March 01, 2018	35	70	-	NIL	NIL
7	Mr. Ganpati Saratkar	Deputy General Manager	2.17	Bachelor of Science Post-Graduate Diploma in Plastics Processing and Testing	June 09, 2017	25	49	Alisha Torrent Closures India Private Limited	NIL	NIL
8	Mr. Regi Bhaskar Pillai	Deputy General Manager	1.98	Post-Graduate Diploma in Plastics Processing and Testing	January 16, 2018	23	48	Sekisui DLJM Private Limited	NIL	NIL
9	Mr. Roomesh Garg	Deputy General Manager	1.90	Master in Business Administration MSC in Physics	June 01, 2018	19	43	Essel Propack Limited	NIL	NIL
10	Mr. Rajnish Kumar	Senior Manager	1.32	Master in Business Administration	July 25, 2019	14	42	Marino Group	NIL	NIL

(b) Employees drawing salary of ₹1,02,00,000/- or above per annum

Sl. No.	Name of the Employees*	Designation	Remuneration Paid (In Million)	Educational Qualifications	Date of Joining	Exp (Yrs.)	Age (Yrs.)	Previous Employment	% of Equity shares of the Company	Relative of any Director or Manager
1	Mr. Madhu Bhushan Khurana	Chairman and Managing Director	30.00	Bachelor Degree in Aeronautical Engineering	February 03, 1983	37 years	71 years	-	55.36%	Father of Mr. Sidhartha Bhushan Khurana
2	Mr. Sidhartha Bhushan Khurana	Managing Director	30.17	Bachelor Degree in Aeronautical Engineering	August 28, 1998	21 years	43 years	-	14.30%	Son of Mr. Madhu Bhushan Khurana

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

(c) No other employees have received a remuneration ₹ 8,50,000/- per month in part of the year.

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MR. MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770
ADD: 1349, SECTOR-14, FARIDABAD-121007, HARYANA

MR. SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788
ADD: 1349, SECTOR-14, FARIDABAD-121007, HARYANA

DATED: AUGUST 31, 2020
PLACE: FARIDABAD

ANNEXURE-6

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 installed Solar Power Equipment.

iii. The capital investment on energy conservation equipment during the year - ₹ 18.66 million

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 sputtering metalizing, visor coating, shape moulding, vacuum foaming, CNC coating, laser cutting etc.

iv. Expenditure incurred on research and development - ₹ 9.47 million

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

Foreign Exchange earned: ₹ 282.11 million

Foreign Exchange outgo: ₹ 178.08 million

FOR AND ON BEHALF OF THE BOARD
STUDDS ACCESSORIES LIMITED

MR. MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770
ADD: 1349, SECTOR-14, FARIDABAD-121007, HARYANA

MR. SIDHARTHA BHUSHAN KHURANA
MANAGING DIRECTOR
DIN: 00172788
ADD: 1349, SECTOR-14, FARIDABAD-121007, HARYANA

DATED: AUGUST 31, 2020
PLACE: FARIDABAD

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of **Studds Accessories Limited**

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Studds Accessories Limited ('the Company'), which comprise the balance sheet as at 31 March 2020, 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 " Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 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, 2020, the profit/loss (including comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   d. In our opinion, the aforesaid Ind AS Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act ;

   e. On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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 Standalone Financial Statements – Refer Additional Notes to the Standalone 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
31st August, 2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind AS Standalone Financial Statements for the year ended 31 March 2020, 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 made an investment in shares of a wholly owned subsidiary company. The company has, however, not provided any loans, guarantees and security with respect to the provisions of section 185 and 186 of Companies act 2013 other than investment in wholly owned subsidiary.

(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 2020 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 (Rs. In Millions)	Period to which the amount relates	Forum where disputes are pending
The Finance Act, 1994	Service Tax	16.72	April 2014 to June 2017.	Joint Commissioner, GST Faridabad
GST Act, 2017	GST	2.05	FY 2017-18	GST Authority, Faridabad
Haryana Value Added Tax,2003	Sales Tax	0.46	FY 2015-16	Office of taxing Authority, District 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 Standalone Financial Statements as required by the applicable accounting standards.

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

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

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

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

CA Rajan Chhabra
Partner
M.No: 088276

Faridabad
31st August, 2020

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, 2020 in conjunction with our audit of the Ind AS Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, 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
31st August, 2020

ANNEXURE- I STATEMENT OF ASSETS AND LIABILITIES

₹ in million

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property Plant & Equipment	3	1,554.68	1,295.49
Capital Work in Progress			
-Tangible		838.13	569.84
-Intangible		24.56	6.94
Intangible Assets	4	9.30	4.50
Financial Assets			
- Non-Current Investments	5	24.01	0.02
Total Non-Current Assets		**2,450.68**	**1,876.78**
Current Assets			
Inventories	6	189.22	131.19
Financial Assets			
- Trade Receivables	7	188.97	216.05
- Cash & Cash Equivalents	8	93.95	101.38
- Other Bank Balances	9	421.54	663.21
- Other Financial Assets	10	22.91	8.93
Other Current Assets	11	111.29	25.27
Total Current Assets		**1,027.88**	**1,146.03**
Total Assets		**3,478.56**	**3,022.81**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	98.38	**98.38**
Other Equity	13	2,061.87	1,481.52
Total Equity		**2,160.25**	**1,579.90**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Non-Current Borrowings	14	277.26	390.67
- Other Non-Current Financial Liabilities	15	106.34	181.66
Non-Current Provisions	16	19.93	15.21
Deferred Tax Liability (Net)	17	70.05	103.58
Total Non-Current Liabilities		**473.58**	**691.12**
Current Liabilities			
Financial Liabilities			
- Current Borrowings	18	-	-
- Trade Payables	19	339.53	363.35
- Other Current Financial Liabilities	20	354.04	244.64
Other Current Liabilities	21	70.31	58.73
Current Provisions	22	16.95	15.76
Current Tax Liabilities (Net)	23	63.90	69.31
Total Current Liabilities		**844.73**	**751.79**
Total Liabilities		**1,318.31**	**1,442.91**
Total Equity and Liabilities		**3,478.56**	**3,022.81**
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

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: 31st August, 2020

Place: Faridabad
Date: 31st August, 2020

Manish Mehta
Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE-II STATEMENT OF PROFIT AND LOSS

₹ in million

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from Operations	24	4,312.36	3,890.40
Other Income	25	57.10	82.13
Total Revenue		**4,369.46**	**3,972.53**
Expenses			
Cost of Material Consumed	26	1,740.81	1,807.79
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	27	(19.25)	4.94
Employee Benefit Expense	28	464.09	377.10
Finance Cost	29	9.14	3.11
Depreciation and Amortisation Expense	30	72.84	59.32
Other Expenses	31	1,147.60	1,048.67
Total		**3,415.23**	**3,300.92**
Profit before Tax		954.23	671.61
Tax Expense:			
Current Tax		243.39	251.03
Deferred Tax		(33.53)	7.36
Tax relating to earlier periods		(1.02)	1.50
Total Tax Expense		**208.83**	**259.89**
Profit for the year		745.40	411.72
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		0.69	(10.54)
Income tax effect		(0.17)	3.68
Total other comprehensive income		**0.52**	**(6.86)**
Total Comprehensive Income for the year		**745.92**	**404.86**
Earnings per share (face value Rs. 5/-)	32		
- Basic EPS (in Rs.)		37.88	20.92
- Diluted EPS (in Rs.)		37.88	20.92
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

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: 31st August, 2020

Place: Faridabad
Date: 31st August, 2020

Manish Mehta
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, 2020	As at March 31, 2019
Balance at the beginning of the year	**98.38**	**10.93**
Movement during the year	-	87.45
Balance at the end of the year	**98.38**	**98.38**

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

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, 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**	**1,398.79**	**1,481.52**
As at April 01, 2019	-	82.74	1,398.78	1,481.52
Profit for the year	-	-	745.67	745.67
Other Comprehensive Income (net of tax)	-	-	0.52	0.52
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(165.56)	(165.56)
Less: Utilised during the year			-	-
As at March 31, 2020	**-**	**82.74**	**1,979.41**	**2,062.15**

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

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Independent Director
DIN: 07094705

Place: Faridabad
Date: 31st August, 2020

Place: Faridabad
Date: 31st August, 2020

Manish Mehta
Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE-IV STATEMENT OF CASH FLOWS

₹ in million

	Particulars	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
A	**Cash Flow from Operating Activities**		
	Profit before Tax	954.23	671.61
	Adjustments for:		
	Depreciation and Amortisation Expense	72.84	59.32
	(Gain)/Loss in change in fair value of financial instruments	-	0.01
	Finance Cost	9.14	3.11
	Rent Income	(0.26)	(0.26)
	Interest Income	(43.52)	(42.43)
	Profit on Sale of Investments	-	-
	Profit on sale of Property, Plant and Equipment	(0.83)	(20.29)
	Loss on sale of Property, Plant and Equipment	-	-
	Other Income	(12.48)	(19.15)
	Operating Profit before working Capital changes	979.11	651.92
	Working capital adjustments:		
	Movement in trade & other payables	40.36	(31.55)
	Movement in trade & other receivables	(72.92)	(101.44)
	Movement in inventories	(58.03)	(4.48)
	Cash Generated from Operations	888.51	514.46
	Direct Taxes Paid and Taxes earlier years	(247.94)	(227.60)
	Net Cash Flow from Operating Activities (A)	**640.58**	**286.85**
B	**Cash Flow from Investing Activities**		
	Purchases of Property, Plant and Equipment (PPE)	(663.79)	(707.73)
	Sale proceeds from sale of PPE	0.39	22.88
	Sale proceeds from sale of Investments	-	-
	(Investment) In Fixed Deposits/Maturity	241.67	(194.61)
	Rent Received	0.26	0.26
	(Investment) In Non Current Investments	(23.99)	-
	Interest Received	43.52	42.43
	Other Income Received	12.48	19.15
	Net Cash Flow from Investing Activities (B)	**(389.45)**	**(817.59)**
C	**Cash Flow from Financing Activities**		
	Proceeds/(Repayment) from Non-Current Borrowings (Net)	(84.26)	475.86
	Proceeds/(Repayment) from Current Borrowings (Net)	-	-
	Dividend Including Dividend Distribution Tax	(165.17)	(12.05)
	Interest Paid	(9.14)	(3.11)
	Net Cash Flow from Financing Activities (C)	**(258.57)**	**460.70**
	Net increase in Cash and Cash Equivalents (A+B+C)	**(7.45)**	**(70.04)**
	Cash and Cash Equivalent at the beginning of the year	101.40	171.44
	Cash and Cash Equivalent at the end of the year	**93.95**	**101.40**

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-19	Cash Flows	Non-cash changes	As at 31-Mar-20
Borrowings	483.51	(84.26)	-	399.25

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 10.10 million on CSR Expenses in accordance with the provision of the Companies Act, 2013

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

(iv) Figures in bracket represents cash outflow

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
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Independent Director
DIN: 07094705

Place: Faridabad
Date: 31st August, 2020

Place: Faridabad
Date: 31st August, 2020

Manish Mehta
Chief Financial Officer

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, 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash flows for the year ended March 31, 2020 and Other Financial Information (together referred as 'Financial Information') have been prepared as per the 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 Schedule III, Division II of the 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 the normal operating cycle, or
  - held primarily for the purpose of trading, or
  - expected to be realised within twelve months after the reporting period, or
  - cash or cash equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- The Company classifies **all other Assets** as **non-current**.
- A **liability** is treated as **current** when it is:-
  - expected to be settled in the normal operating cycle, or
  - held primarily for the purpose of trading, or
  - due to be settled within twelve months after the reporting period, or
  - there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies **all other liabilities** as **non-current**.
- **Deferred tax** assets and liabilities are classified as **non-current assets and liabilities**.
- The **operating cycle** is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified **twelve months** as its operating cycle.

(c) Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS require the 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 on the date of the financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

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

(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 a principal or an 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, 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 are 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 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	6 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 of gains and losses arising from experience, adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet.

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

Defined Contribution Plans

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

(l) Cash and Cash Equivalents

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

(m) Taxes

Taxes comprise of current income tax and deferred tax.

Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The 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.

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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) Investment in subsidiary

During the year 2019-20, the Company has made an investment in wholly owned subsidiary in SMK Europe-Unipessoal-LDA. The total value of investment is Rs.23,99,4000 for 3,00,000 shares of 1 Euro each at an exchange rate of INR 79.98 for 1 EUR.

(t) Dividends

- The Board has not recommended any annual dividends on equity shares for the FY 19-20.
- The Board has recommended and paid interim dividend on equity shares @ 80% on paid up share capital of the company i.e. Rs. 4.00 per paid up equity share.

(u) Previous year figures have been regrouped or rearranged wherever 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 1 April 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**
Additions	26.63	123.72	148.57	11.90	4.26	3.30	13.15	331.52
Disposals/write off	-	-	2.13	-	-	-	3.61	5.74
As at 31 March 2020	**635.11**	**287.77**	**787.70**	**27.05**	**8.83**	**6.95**	**32.54**	**1,785.95**

Description	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Office Appliances	Computers	Vehicles	Total
Accumulated Depreciation								
As at 1 April 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**
Charge for the year	-	9.70	54.54	2.30	0.74	0.76	3.06	71.11
Disposals/write off	-	-	2.00	-		-	2.52	4.52
As at 31 March 2020	**-**	**28.12**	**180.17**	**6.57**	**4.05**	**2.73**	**9.62**	**231.26**

Description	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Office Appliances	Computers	Vehicles	Total
Net Book Value								
As at 31 March 2020	**635.11**	**259.65**	**607.53**	**20.48**	**4.78**	**4.22**	**22.92**	**1,554.68**
As at 31 March 2019	**608.48**	**145.63**	**513.63**	**10.89**	**1.26**	**1.68**	**13.92**	**1,295.49**

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	Techinical Know-How	Total
Cost				
As at 1 April 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**
Additions	3.60	0.35	2.57	6.53
Disposals/write off	-	-		-
As at 31 March 2020	**11.82**	**0.38**	**2.57**	**14.77**
Accumulated Depreciation				
As at 1 April 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**
Charge for the year	1.61	0.02	0.09	1.72
Disposals/write off	-	-	-	-
As at 31 March 2020	**5.36**	**0.02**	**0.09**	**5.48**
Net Book Value				
As at 31 March 2020	**6.46**	**0.36**	**2.47**	**9.30**
As at 31 March 2019	**4.47**	**0.03**	**-**	**4.50**

Note No: 5 Non Current Investments

₹ in Million

Particulars		As at 31-Mar-20		As at 31-Mar-19	
		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	0.02
- Investment in Equity Shares of SMK EUROPE-UNIPESSOAL, LDA	1 EURO	3,00,000	23.99	-	-
Total (B)		**3,01,900.00**	**24.01**	**1,900**	**0.02**
Total Investments		**3,01,900**	**24.01**	**1,900**	**0.02**
Aggregate Value of Unquoted Investments			23.99		-
Aggregate Value of Quoted Investments			0.02		0.02
Aggregate Market Value of Quoted Investments			0.02		0.02
Aggregate Amount of Impairment in Value of Investments			-		-

Note No: 6 Inventories

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Raw Materials	143.23	104.45
Finished Goods	41.04	23.23
Work in Progress	4.95	3.51
Total	**189.22**	**131.19**

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, 2020	As at March 31, 2019
Carried at Amortised Cost		
From Others*		
- Secured, considered good	0.03	0.17
- Unsecured, considered good	188.94	215.88
- With significant increase in credit risk	-	-
- credit impaired	-	-
Total	**188.97**	**216.05**

* 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 receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Refer Note No 40 for ageing of Trade Receivables.

Note No: 8 Cash and Cash Equivalents

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Cash in hand	0.00	0.20
Balances with Bank	-	
- in current accounts	93.95	101.19
Total	**93.95**	**101.38**

Note No: 9 Other Bank Balances

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balances with Bank		
- in Deposit having maturity for more than 3 months but less than 12 months	420.31	662.86
- in Unpaid Dividend account	1.23	0.35
Total	**421.54**	**663.21**

Note No: 10 Other Financial Assets

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Carried at Amortised Cost		
Unsecured, considered good		
Advances to employees	0.88	0.33
Security deposits	22.03	8.59
Total	**22.91**	**8.93**

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 11 Other Current Assets

₹ in Million

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advance to Vendors	94.97	14.67
Duty Drawback receivable	0.65	0.68
Prepaid Expenses	8.98	4.15
Balance of Cenvat/GST	3.39	2.91
Other assets	3.30	2.85
Total	**111.29**	**25.27**

Note No: 12 Equity Share Capital

₹ in Million

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital				
Equity shares of Rs. 5/- each*	5,00,00,000	250.00	5,00,00,000	250.00
Issued Capital				
Equity share of Rs. 5/- each*	1,96,76,700	98.38	1,96,76,700	98.38
Subscribed and Fully Paid up				
Equity share of Rs. 5/- each*	1,96,76,700	98.38	1,96,76,700	98.38

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

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-20		As at 31-Mar-19	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**19676700**	**98.38**	**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**	**1,96,76,700**	**98.38**

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

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

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

₹ in Million

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	No. of Shares	Amount	No. of Shares	% of Holding
Equity shares of Rs 5/- each fully paid*				
Madhu Bhushan Khurana	1,08,92,880	55.36%	1,08,92,880	55.36%
Sidhartha Bhushan Khurana	28,14,480	14.30%	28,14,480	14.30%
Chand Khurana	16,48,800	8.38%	16,48,800	8.38%

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

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.

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 13 Other Equity

₹ in Million

Particulars	Reserves and surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
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**	**1,398.79**	**1,481.52**
As at April 01, 2019	-	82.74	1,398.78	1,481.52
Profit for the year	-	-	745.40	745.40
Other Comprehensive Income (net of tax)	-	-	0.52	0.52
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(165.56)	(165.56)
Less: Utilised during the year			-	-
As at March 31, 2020	**0.00**	**82.74**	**1,979.14**	**2,061.87**

Note No: 14 Non-Current Borrowings

₹ in million

Particulars	As at 31-Mar-20	As at 31-Mar-19
At Amortised Cost		
Term Loans from Banks (Secured)		
Vehicle Loan	9.25	3.51
Other Term Loan	390.00	480.00
Loans from Related Parties (Unsecured)		
From Directors	-	-
Total	**399.25**	**483.51**
Less: Current Maturities on Non Current Borrowings		
- Outstanding From Banks	121.99	92.84
Total	**121.99**	**92.84**
Total Non-Current Borrowings	**277.26**	**390.67**

Security, Interest & Repayment Details:

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Term Loan from Banks		
HDFC Bank- Loan for Rs. 480 Million		
Balance Outstanding		
Current Maturity	120.00	90.00
Non - Current Maturity	270.00	390.00

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 + 10 bps)

Repayment Terms:

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

Vehicle Loan from Banks

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balance outstanding		
Current Maturity	1.99	2.84
Non-current Maturity	7.26	0.67

Security Terms:

Secured against hypothecation of specified vehicles of the company.

Interest Rates:

Applicable rate of interest is 8.50% to 10.50%

Repayment Terms:

Vehicle loan repayable within 36/ 60 equal monthly installment.

Summary- Loans from Banks

Term Loan from Banks

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balance Outstanding		
Current Maturity	120.00	90.00
Non-current Maturity	270.00	390.00
Total	**390.00**	**480.00**

Vehicle Loan

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balance Outstanding		
Current Maturity	1.99	2.84
Non-current Maturity	7.26	0.67
Total	**9.25**	**3.51**

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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

Loan from Related Parties

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balance Outstanding		
Current Maturity	-	-
Non-Current Maturity	-	-

Interest Rate:

At current market rate of Interest

Repayment Terms:NA

Aggregating amount of loan guaranteed by directors:

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Term Loans	390.00	480.00

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

Note No: 15 Other Non-Current Financial Liabilities

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
At Amortised Cost		
Security Deposit from Dealers	22.23	18.12
Payables on purchase of Property, Plant & Equipment	84.10	163.54
Total	**106.34**	**181.66**

Note No: 16 Non-Current Provisions

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Provision for Employee Benefits		
- Gratuity	14.66	11.83
- Leave Encashment	5.27	3.38
Total	**19.93**	**15.21**

Note No: 17 Deferred Tax Liabilities (Net)

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation	79.31	114.41
Total Deferred Tax Liabilities	**79.31**	**114.41**
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961	9.26	10.82
Total Deferred Tax Assets	**9.26**	**10.82**
Net Deferred Tax Liabilities/(Asset)	**70.05**	**103.58**

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 17 Deferred Tax Liabilities (Net) (Contd..)

Reconciliation of Deferred Tax Liabilities (Net)

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Deferred Tax Liabilities:		
Impact of difference between tax depreciation and depreciation		
Opening Balance	114.41	102.51
Movement during the year	(35.10)	11.89
Closing Balance	**79.31**	**114.41**
Deferred Tax Assets:		
Disallowance under the Income Tax Act, 1961		
Opening Balance	10.82	6.29
Movement during the year	(1.56)	4.53
Closing Balance	**9.26**	**10.82**
Net Deferred Tax Liabilities/(Asset)	**70.05**	**103.58**

Note No: 18 Current Borrowings

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
At Amortised Cost		
Loan Repayable on Demand		
From Banks (Secured*)		
- Cash Credit	-	
Total	**-**	**-**

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

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

Note No: 19 Trade Payables

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
At Amortised Cost		
Dues Owed to Micro, Small and Medium Enterprises*	2.71	3.86
Dues of other than MSMEs	336.81	359.49
Total	**339.53**	**363.35**

* 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)

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 20 Other Current Financial Liabilities

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
At Amortised Cost		
Current Maturities on Non-Current Borrowings from Banks (Refer Note No. 14)	121.99	92.84
Unpaid Dividend	0.69	0.30
Payables on purchase of Property, Plant & Equipment	121.41	81.79
Employee Related Liabilities	36.11	30.22
Expenses Payable	17.34	20.08
Others Payable	56.51	19.41
Total	**354.04**	**244.64**

Note No: 21 Other Current Liabilities

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Advances received from Customers	35.96	19.68
Statutory Dues	34.35	39.05
Total	**70.31**	**58.73**

Note No: 22 Current Provisions

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Provision for Employee Benefits		
- Gratuity	14.41	14.23
- Leave Encashment	2.54	1.53
Total	**16.95**	**15.76**

Note No: 23 Current Tax Liabilities

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Income Tax Payable	63.90	69.31
Total	**63.90**	**69.31**

Note No: 24 Revenue from operations

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Sale of Goods		
- Inland Sales	3,961.00	3,549.59
- Exports Sales	351.36	340.81
Total Revenue from Operations	**4,312.36**	**3,890.40**

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 25 Other Income

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Other income - recurring		
Interest Income	43.52	42.43
Rent Income	0.26	0.26
Miscellaneous Income	4.56	3.97
Other income - non recurring		
Profit on Sale of Property*	-	20.29
Profit on Sale of Fixed Assets	0.83	
Profit on account of currency fluctuation	-	1.64
Credit Balance of Debtors write on	-	2.11
Export Incentive	0.11	
Sale of Export Licence	7.82	11.42
Total	**57.10**	**82.13**
Interest income (calculated using the effective interest method) for financial assets that are classified at amortised cost	43.52	42.43

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

Note No: 26 Cost of Material Consumed

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Consumption of:		
Polycarbonate	147.51	210.10
Cloth	154.24	143.07
ABS	329.97	482.22
Thermocol	155.72	172.73
Buckle	39.78	48.88
PPCP	21.92	37.57
Paints	118.19	112.62
Other Components	773.48	600.61
Total	**1,740.81**	**1,807.79**

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

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Inventory at the beginning of the year		
Finished Goods	23.23	28.47
Work in Progress	3.51	3.21
Total	**26.74**	**31.68**
Less: Inventory at the end of the year		
Finished Goods	41.04	23.23
Work in Progress	4.95	3.51
Total	**45.99**	**26.74**
Net (Increase)/decrease	**(19.25)**	**4.94**

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 28 Employee Benefit Expenses

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Salaries, Wages and Bonus	425.98	342.99
Contribution to Provident Fund & Other Fund	26.31	24.48
Employees Welfare Expenses	11.81	9.63
Total	**464.09**	**377.10**

Note No: 29 Finance Cost

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Interest on:		
- Cash Credit / Overdraft	0.13	0.55
- Vehicle Loan	0.48	0.54
- Payment to MSME	0.01	1.28
- Term Loan	7.64	-
- Dealer Security Deposit	0.89	0.75
Total	**9.14**	**3.11**
Interest expense (calculated using the effective interest method) for financial liabilities that are Classified at Amortised Cost	9.14	3.11

Note No: 30 Depreciation and Amortisation Expense

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Depreciation/Amortisation of tangible assets	71.11	58.00
Amortisation of intangible assets	1.72	1.32
Total	**72.84**	**59.32**

Note No: 31 Other Expenses

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Labour Charges	146.41	127.14
Packaging & Forwarding	236.83	215.61
Power & Fuel	147.87	114.18
Store Consumed	39.43	35.24
Cartage Outward	191.95	180.95
Insurance Expenses	6.66	3.66
Repair and Maintenance :		
- Plant & Machinery	17.37	14.43
- Building	2.21	2.20
- Others	14.28	7.49
Rent	19.29	16.42
Payment to Auditors*	1.37	1.67
Legal & Professional Expenses	32.78	32.70
Corporate Social Responsibility (CSR) expenses#	10.10	8.30
Loss on change in fair value of Investments	-	0.01
Travelling & Conveyance Expenses	13.37	6.93
Loss on Currency Fluctuation	2.00	-
Commission on Sales	10.87	4.89
Advertisement	33.61	31.29
Target Incentive	152.34	143.97

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 31 Other Expenses (Contd..)

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Bank Charges	1.08	0.67
Miscellaneous Expenses	67.79	100.93
Total	**1,147.60**	**1,048.67**

*** Details of Auditor's Remuneration**

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Payment to Auditors		
- For Audit Fees-Statutory	0.50	0.50
- For Audit Fees-Internal	0.83	1.10
For Reimbursement of Expenses	0.05	0.07
- For Taxation Matters	-	-
Total	**1.37**	**1.67**

Refer Note No. 35

Note No: 32 Earnings per share

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

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

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

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Profit after tax for calculation of EPS (Rs. in million) (A)	745.40	411.72
Number of equity shares post split*	1,96,76,700	21,86,300
Add: Effect of Bonus issue#	-	1,74,90,400
Number of equity shares for calculating basic & diluted EPS (B)	1,96,76,700	1,96,76,700
Face Value per share (Amount in Rs.)	5.00	5.00
Basic Earning per share (Amount in Rs.) (A/B)	37.88	20.92
Diluted Earning per share (Amount in Rs.) (A/B)	**37.88**	**20.92**

* The Board at its meeting held on June 08, 2018 recommended to split equity share of Rs. 10/- each into two equity shares of Rs. 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-20	Year Ended 31-Mar-19
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	2.71	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 INR 10.10 million for CSR activities carried out during the current year:-

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
(i) Gross amount required to be spent by the Company during the year	10.10	8.30

₹ in Million

Particulars	Paid	Due as on 31-Mar-20	Total
(i) Amount spent during the year ending on March 31, 2020:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above			
– Studds Foundation	10.10	-	10.10
(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

Note No: 36 Related Party Disclosures

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

Wholly Owned Foreign Subsidiary Company:

- SMK EUROPE-UNIPESSOAL, LDA (Date of Acquisition- 30/07/2019)

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

Studds Foundation

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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

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)
- Ms. Kanika Bhutani	Company Secretary (Upto 10/07/2019)
- Mr. Saurav Kumar	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 2020:-

₹ in Million

S. No.	Name of the Party	Nature of Transaction	Year Ended 31-Mar-20	Year Ended 31-Mar-19
1	Mr. Madhu Bhushan Khurana	**Director's Remuneration:**		
		- Short-term employee benefits	30.00	25.25
		- Post-employment benefits	-	-
		Dividend	76.25	5.45
		Rent	0.25	0.30
		Balance Receivable/(Payable)	(12.45)	(0.32)
2	Mrs. Chand Khurana	**Salary:**		
		- Short-term employee benefits	2.51	2.45
		- Post-employment benefits	-	-
		Dividend	11.54	0.82
		Rent	0.25	0.30
		Balance Receivable/(Payable)	(0.14)	(0.13)
3	Mr. Sidhartha Bhushan Khurana	**Director's Remuneration:**		
		- Short-term employee benefits	30.17	25.86
		- Post-employment benefits	-	-
		Dividend	19.70	1.41
		Balance Receivable/(Payable)	(12.45)	(0.35)
4	Mrs. Garima Khurana	**Salary:**		
		- Short-term employee benefits	1.31	1.27
		- Post-employment benefits	-	-
		Dividend	0.25	0.02
		Balance Receivable/(Payable)	(0.08)	(0.76)
5	SMK EUROPE-UNIPESSOAL,LDA	Investment in Shares	23.99	-
		Reimbursement of Charges paid as per Invoice	4.85	-
6	Ms. Kanika Bhutani	Salary	0.47	1.43
7	Mr. Sanjay Sethi	Salary	-	1.58
8	Mr. Manish Mehta	Salary	4.76	2.68
9	Mr. Saurav Kumar	Salary	1.18	-
10	Studds Foundation	CSR Expenditure	10.10	8.30

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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

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 2020 & 2019, 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-20	Year Ended 31-Mar-19
Rent Expense under Operating Lease	19.29	16.42

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-20	Year Ended 31-Mar-19
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.

(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-20	As at 31-Mar-19
Estimated amount of contracts remaining to be executed on capital account and not provided for	22.01	26.47

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 37 Commitments and Contingencies (Contd..)

(iii) Contingent Liabilities

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Sales Tax demand	0.46	17.69
Income Tax demand	-	2.06
Service Tax demand	16.72	-
Godds and Service Tax demand	2.05	-
Bank Guarantees	15.59	-
Letter of Credits	25.09	-

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

(b) The sales tax demand amounting to 0.46 milliion pertains to Financial Year 2015-16 from Office of Taxing Authority, Dist.- Faridabad (East)

(c) The demand of Sales Tax amounting to 17.69 milliion pertainimg to Financial year 2015-16 has been nullified vide order 17 Feb, 2020.

(d) The company filed an appeal with CIT (A) Faridabad in respect of demand pertaining to A/Y 2016-17 amounting to Rs. 20,31,641 on 20/01/2019. The company has won the filed appeal and the demand has been nullified in order of CIT(A) dated 24 Jan, 2020

(e) The company has received Service Tax order dated 18 Aug, 2020 showing demand of Rs. 1,67,16,452. The company intends to file an appeal against the mentioned demand.

(f) The company received a notice from GST department on 14 Aug, 2018 having demand of Rs 20,46,477.19. The company has replied to the notice on 20 Aug, 2018 against which no further clarification/order has been received from the concerned authorities.

(g) 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.

(h) A workman had filed a case in the Labour Court Faridabad against the Company regarding a termination of his employment. The Honorable Court has ordered payment of 25 % back wages alongwith reinstatement. Afterwards a Writ Petition in the High Court for enhancement of the back wages alongwith consequential benefits has been filed by the workman, the order of the court is still awaited.

(i) The company has a ongoing legal dispute under the court of Karnataka against the Govt of Karnataka (Dept of Legal Matrology), which can lead to a penalty with the maximum amount of Rs 25,000 if decision is not in favour of the company.

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-20	Year Ended 31-Mar-19
Employer's Contribution to Provident Fund & Pension*	18.33	14.06
Employer's Contribution to ESI*	7.53	9.05

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

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 38 Employee Benefits (Contd..)

(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-20	Year Ended 31-Mar-19
Present value of obligation as at the beginning	26.06	13.48
Current service cost	2.85	2.18
Past Service Cost	-	-
Interest cost	1.95	0.99
Re-measurement (or Actuarial) (gain) / loss	(0.69)	10.54
Benefits paid	(1.10)	(1.13)
Present Value of Obligation as at the end	**29.07**	**26.06**
Current Liability	**14.41**	**14.23**
Non-Current Liability	**14.66**	**11.83**

(ii) Fair Value of Plan Assets:

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
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-20	Year Ended 31-Mar-19
Present Value of Obligation at the end	29.07	26.06
Fair Value of Plan Assets at the end	-	-
Amount Recognised in Balance Sheet	29.07	26.06

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

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Current service cost	2.85	2.18
Past service cost	-	-
Net interest cost on net defined benefit liability	1.95	0.99
Net benefit expense recognized in statement of Profit and Loss	4.80	3.18

(v) Amount recognised in Other Comprehensive Income:

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Actuarial (Gain)/Loss arising from:		
Effect of experience adjustment (gains)/losses	(1.35)	10.50
Difference in Present Value of Obligations	0.66	0.04
Components of defined benefit costs recognised in other comprehensive income	**(0.69)**	**10.54**

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 38 Employee Benefits (Contd..)

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

I. Disclosures in Respect of Gratuity: (Contd..)

(vi) Funding Pattern

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
	Nil	Nil

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

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Discount rate	6.76% p.a	7.64 % 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 2012-14

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

(viii) A quantitative sensitivity analysis for significant assumption

(a) Discount rate

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Change in assumption (3 % p.a. increase)		
Impact on defined benefit obligation	(0.75)	(1.59)
Change in assumption (3 % p.a. decrease)		
Impact on defined benefit obligation	0.82	2.07

(b) Salary growth rate

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Change in assumption (1 % p.a. increase)		
Impact on defined benefit obligation	2.54	0.61
Change in assumption (1 % p.a. decrease)		
Impact on defined benefit obligation	(2.06)	(0.57)

(c) Attrition Rate

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Change in assumption (3 % p.a. increase)		
Impact on defined benefit obligation	(0.53)	(0.34)
Change in assumption (3 % p.a. decrease)		
Impact on defined benefit obligation	0.65	0.41

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.

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 38 Employee Benefits (Contd..)

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

I. Disclosures in Respect of Gratuity: (Contd..)

(ix) Defined benefit liability and employer contributions

Expected benefit payments are as follows:

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Within the next 12 months	14.55	14.36
Between 2 and 5 years	10.42	9.20
Between 5 and 10 years	5.72	4.62
After 10 years	5.89	4.67

(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-20	Year Ended 31-Mar-19
Present value of obligation as at the beginning	4.91	4.70
Current service cost	3.96	2.60
Interest cost	0.24	0.26
Re-measurement (or Actuarial) (gain) / loss	2.31	(0.06)
Benefits paid	(3.60)	(2.60)
Present Value of Obligation as at the end	**7.81**	**4.91**
Current Liability	**2.54**	**1.53**
Non-Current Liability	**5.27**	**3.38**

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

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Current service cost	3.96	2.60
Past service cost	-	-
Interest cost	0.24	0.26
Re-measurement (or Actuarial) (gain) / loss	2.31	(0.06)
Net benefit expense recognized in statement of Profit and Loss	**6.51**	**2.80**

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 38 Employee Benefits (Contd..)

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

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

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

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Discount rate	6.76% p.a.	7.64 % 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 2012-14

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

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

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Fair Value of Plan Assets at the end	-	-
Present Value Obligation at the end	7.81	4.91
Amount Recognised in Balance Sheet	7.81	4.91

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-20		31-Mar-19	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Investments*	24.01	24.01	0.02	0.02
Trade Receivables	188.97	188.97	216.05	216.05
Cash & Cash Equivalents	93.95	93.95	101.38	101.38
Other Bank Balances	421.54	421.54	663.21	663.21
Other Financial Assets	22.91	22.91	8.93	8.93
Total Financial Assets	**751.39**	**751.39**	**989.59**	**989.59**

* 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-20		31-Mar-19	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Borrowings	277.26	277.26	390.67	390.67
Other Non-Current Financial Liabilities	106.34	106.34	181.66	181.66
Current Borrowings	-	-	-	-
Trade Payables	339.53	339.53	363.35	363.35
Other Current Financial Liabilities#	354.04	354.04	244.64	244.64
Total Financial Liabilities	**1077.17**	**1077.17**	**1,180.32**	**1,180.32**

including current maturities of non-current borrowings

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

Note No: 39 Fair Values' (Contd..)

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-20	31-Mar-19
Financial Assets		
Financial investments as FVTPL		
Investment in Quoted Shares (Level 1)	0.02	0.02
Investment in UnQuoted Shares (Level 1)	23.99	-

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

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

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

Note No: 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 2020 and 2019.

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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

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-20	Year Ended 31-Mar-19
INR Loans*	+ 50 Basis Points	(0.01)	(0.03)
INR Loans*	- 50 Basis Points	0.01	0.03

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

Foreign Currency Risk

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

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

₹ in Million

Liabilities/Assets	Foreign Currency (Amt in million)	
	As at 31-Mar-20	As at 31-Mar-19
Liabilities		
USD	0.36	0.25
EURO	0.07	0.08
Assets		
USD	0.37	0.18
EURO	0.06	0.07

₹ in Million

Liabilities/Assets	INR (Rs. in million)	
	As at 31-Mar-20	As at 31-Mar-19
Liabilities		
USD	27.08	17.35
EURO	5.57	5.98
Assets		
USD	28.10	12.34
EURO	4.67	5.66

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:

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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

₹ in Million

Currency	Change in rate	Effect on profit before tax for the year	
		31-Mar-20	31-Mar-19
USD	Appreciation in INR by 5%	(0.05)	0.25
USD	Depreciation in INR by 5%	0.05	(0.25)
EURO	Appreciation in INR by 5%	0.04	0.02
EURO	Depreciation in INR by 5%	(0.04)	(0.02)

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 2020 and 2019 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

Ageing of Trade Receivables

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
0-6 Months past due	185.66	214.12
6-12 Months past due	1.50	1.81
More than 12 months	1.82	0.12
Total	**188.97**	**216.05**

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 2020 and 2019 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.

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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

₹ in million

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2020				
Borrowings	22.23	277.26	-	299.50
Other Non-Current Financial Liabilities	-	106.34	-	106.34
Current Borrowings			-	-
Trade Payables	339.53	-	-	339.53
Other Current Financial Liabilities	232.05	-	-	232.05
Total	**593.81**	**383.60**	**-**	**977.41**

₹ 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
Current Borrowings	-	-	-	-
Trade Payables	363.35	-	-	363.35
Other Current Financial Liabilities	151.80	-	-	151.80
	608.00	**572.33**	**-**	**1,180.32**

Note No: 41 Capital Management

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

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

₹ in Million

Particulars	As at 31-Mar-20	As at 31-Mar-19
Borrowings	299.50	483.51
Trade Payables	339.53	363.35
Less: Cash and cash equivalents	93.95	101.38
Net Debt (A)	**732.97**	**745.48**
Equity (B)	**2,160.25**	**1,579.90**
Net Debt/ Equity Ratio (A/B)	**33.93%**	**47.19%**

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.

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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

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, 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.

ANNEXURE-V NOTES TO FINANCIAL INFORMATION

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

(v) Taxes

Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax 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-20	Year Ended 31-Mar-19
Amounts recognised as distributions to equity holders:		
Interim Dividend (Including Dividend Tax) (Rs. In million) (A)	94.39	-
Per Share Dividend (Amount in Rs.)	4.00	-
Proposed Dividend (Including Dividend Tax) (Rs. in million) (B)*	-	71.16
Per Share Dividend (Amount in Rs.)	-	3.00
Total Dividend (A+B)	**94.39**	**71.16**

* 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 not recommended any annual dividends on equity shares for the FY 19-20.

The Board has recommended and paid interim dividend on equity shares @ 80% on paid up share capital of the company i.e 4.00 per paid up equity share.

Note No: 44 Investment in Subsidiary

During the year 2019-20, the company has made an investment in wholly owned subsidiary in SMK EUROPE-UNIPESSOAL, LDA. The total value of investment is Rs.23,99,4000 for 3,00,000 shares of 1 EURO each at an exchange rate of INR 79.98 for 1 EUR.

Note No: 45 Payment to Subsidiary

An amount of INR 48,47,691 has been paid against the reimbursement of charges as per invoice raised by SMK EUROPE-UNIPESSOAL, LDA.

Note No: 46 Events after the reporting period

(a) The company has received Service Tax order dated 18 Aug, 2020 showing demand of Rs. 1,67,16,452. The company intends to file an appeal against such demand.

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: 31st August, 2020

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Place: Faridabad
Date: 31st August, 2020

Manish Mehta
Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE-VII STATEMENT OF ACCOUNTING RATIOS

₹ in Million

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Basic and Diluted Earnings per Share (Rs.)	37.88	20.92
Return on Net Worth (%)	34.51%	26.06%
Net asset value per equity share (Rs)	109.79	80.29
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 (Rs. In million)	745.40	411.72
Closing Number of Equity Shares	19676700	1,96,76,700
Equity Share Capital (Rs. In million)	98.38	98.38
Other Equity (Rs. In million)	2,061.87	1,481.52
Net Worth (Total Equity) (Rs. In million)	2,160.25	1,579.90

Notes:

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

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

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

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

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

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 Rs. 10/- each to Rs. 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of **Studds Accessories Limited**

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated financial statements of Studds Accessories Limited (herein referred to as "the Holding Company") and its subsidiary SMK Europe,Unipessoal,LDA ('the Holding Company and the subsidiary together referred to as the Group') which comprise the consolidated balance sheet as at March 31, 2020, the consolidated statement of profit and loss (including Other Comprehensive income), the consolidated cash flow statement and the consolidated statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated Ind AS financial statements).

Basis for opinion

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Matters

We have not audited the financial statements of subsidiary namely SMK Europe,Unipessoal,LDA, whose financial statements reflect total assets of Rs. 25.15 Million as at March 31, 2020, total Revenue/ (Expenditure) of Rs. 4.85/ (4.62) Million respectively for the year ended March 31, 2020 as considered in the Financial Statements. In respect of the said Foreign subsidiary whose Financial Statements are unaudited and have been furnished to us by the management and our opinion on these consolidated financial statements is so far, as it relates to the amounts and disclosures included in respect of the subsidiary is solely based on such unaudited financial information. In our opinion and according to the information and explanation given to us by the management, these unaudited financial information is not material to the group. Our opinion is not modified on this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

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

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

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

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

CA Rajan Chhabra
Partner
M.No: 088276

Faridabad
31st August, 2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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, 2020 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Other Matters

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

Opinion

In our opinion, the Company has, in all material respects, except for the possible effects of the matter described in others matter paragraph, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, 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
31st August, 2020

ANNEXURE- I CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

₹ in million

Particulars	Notes	As at March 31, 2020
ASSETS		
Non-Current Assets		
Property Plant & Equipment	3	1,554.68
Capital Work in Progress		
-Tangible		838.13
-Intangible		24.56
Intangible Assets	4	9.30
Financial Assets		
- Non-Current Investments	5	0.02
Total Non-Current Assets		**2,426.69**
Current Assets		
Inventories	6	189.22
Financial Assets		
- Trade Receivables	7	189.94
- Cash & Cash Equivalents	8	113.28
- Other Bank Balances	9	421.54
- Other Financial Assets	10	22.91
Other Current Assets	11	111.29
Total Current Assets		**1,048.18**
Total Assets		**3,474.87**
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	12	98.38
Other Equity	13	2,062.93
Total Equity attributable to owners of Studds Accessories Ltd		**2,161.31**
Non-Controlling Interests		-
Total Equity		**2,161.31**
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
- Non-Current Borrowings	14	277.26
- Other Non-Current Financial Liabilities	15	106.34
Non-Current Provisions	16	19.93
Deferred Tax Liability (Net)	17	70.05
Total Non-Current Liabilities		**473.57**
Current Liabilities		
Financial Liabilities		
- Current Borrowings	18	-
- Trade Payables	19	339.55
- Other Current Financial Liabilities	20	349.20
Other Current Liabilities	21	70.31
Current Provisions	22	16.95
Current Tax Liabilities (Net)	23	63.98
Total Current Liabilities		839.98
Total Liabilities		**1,313.56**
Total Equity and Liabilities		**3,474.87**
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 Consolidated financial statements in Annexure V.

Since wholly owned subsidiary was acquired on 30 July, 2019, figures for the FY 18-19 have not been reported.

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: 31st August, 2020

Place: Faridabad
Date: 31st August, 2020

Manish Mehta
Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE-II CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in million

Particulars	Notes	Year ended March 31, 2020
Income		
Revenue from Operations	24	4,312.36
Other Income	25	57.10
Total Revenue		**4,369.46**
Expenses		
Cost of Material Consumed	26	1,740.81
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	27	(19.25)
Employee Benefit Expense	28	464.09
Finance Cost	29	9.14
Depreciation and Amortisation Expense	30	72.84
Other Expenses	31	1,147.37
Total		**3,415.00**
Profit before Tax		**954.46**
Tax Expense:		
Current Tax		243.46
Deferred Tax		(33.53)
Tax relating to earlier periods		(1.02)
Total Tax Expense		**208.90**
Profit for the year		745.56
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit plans		0.69
Income tax effect		(0.17)
Items that will be reclassified to profit or loss		
Foreign Currency Translation Reserve		0.90
Income tax effect		-
Total other comprehensive income		**1.42**
Total Comprehensive Income for the year		**746.98**
Profit attributable to:		
-Owners		746.98
-Non-Controlling Interests		-
Earnings per share (face value Rs. 5/-)	32	
- Basic EPS (in Rs.)		37.89
- Diluted EPS (in Rs.)		37.89
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 Consolidated financial statements in Annexure V.

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

Place: Faridabad
Date: 31st August, 2020

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Place: Faridabad
Date: 31st August, 2020

Manish Mehta
Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE-III CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(i) Equity Share Capital

₹ in million

Particulars Equity share of ₹ 5/- each*	As at March 31, 2020
Balance at the beginning of the year	**98.38**
Movement during the year	-
Balance at the end of the year	**98.38**

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

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, 2019	-	82.74	1,398.78	1,481.52
Profit for the year	-	-	745.84	745.84
Other Comprehensive Income (net of tax)	-	-	1.42	1.42
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(165.56)	(165.56)
Less: Utilised during the year			-	-
As at March 31, 2020	**-**	**82.74**	**1,980.48**	**2,063.21**

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

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

Place: Faridabad
Date: 31st August, 2020

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Place: Faridabad
Date: 31st August, 2020

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Manish Mehta
Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE-IV CONSOLIDATED STATEMENT OF CASH FLOWS

₹ in million

	Particulars	For the year ended 31-Mar-2020
A	**Cash Flow from Operating Activities**	
	Profit before Tax	954.46
	Adjustments for:	
	Depreciation and Amortisation Expense	72.84
	(Gain)/Loss in change in fair value of financial instruments	-
	Foreign Currency Translation Reserve	0.90
	Finance Cost	9.14
	Rent Income	(0.26)
	Interest Income	(43.52)
	Profit on Sale of Investments	-
	Profit on sale of Property, Plant and Equipment	(0.83)
	Loss on sale of Property, Plant and Equipment	-
	Other Income	(12.48)
	Operating Profit before working Capital changes	**980.24**
	Working capital adjustments:	
	Movement in trade & other payables	35.39
	Movement in trade & other receivables	(73.90)
	Movement in inventories	(58.03)
	Cash Generated from Operations	888.71
	Direct Taxes Paid and Taxes earlier years	(247.94)
	Net Cash Flow from Operating Activities (A)	**635.77**
B	**Cash Flow from Investing Activities**	
	Purchases of Property, Plant and Equipment (PPE)	(663.79)
	Sale proceeds from sale of PPE	0.53
	Sale proceeds from sale of Investments	-
	(Investment) In Fixed Deposits/Maturity	241.67
	Rent Received	0.26
	(Investment) In Non Current Investments	-
	Interest Received	43.52
	Other Income Received	12.48
	Net Cash Flow from Investing Activities (B)	**(365.32)**
C	**Cash Flow from Financing Activities**	
	Proceeds/(Repayment) from Non-Current Borrowings (Net)	(84.26)
	Proceeds/(Repayment) from Current Borrowings (Net)	-
	Dividend Including Dividend Distribution Tax	(165.17)
	Interest Paid	(9.14)
	Net Cash Flow from Financing Activities (C)	**(258.57)**
	Net increase in Cash and Cash Equivalents (A+B+C)	**11.88**
	Cash and Cash Equivalent at the beginning of the year	101.40
	Cash and Cash Equivalent at the end of the year	**113.28**

ANNEXURE-IV CONSOLIDATED 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-19	Cash Flows	Non-cash changes	As at 31-Mar-20
Borrowings	483.51	(84.26)	-	399.25

The above statement should be read together with significant accounting policies in Annexure V and notes to the Consolidated 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 10.10 million on CSR Expenses in accordance with the provision of the Companies Act, 2013

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

(iv) Figures in bracket represents cash outflow

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
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Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Place: Faridabad
Date: 31st August, 2020

Place: Faridabad
Date: 31st August, 2020

Manish Mehta
Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

1. Corporate Information

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

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

2. Significant Accounting Policies

(a) Statement of Compliance

The Consolidated Statement of Assets and Liabilities of the Group as at March 31, 2020 and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended March 31, 2020 and Other Consolidated Financial Information (together referred as 'Consolidated Financial Information') have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

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

(b) Basis of Consolidation and Equity Accounting

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

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

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

Subsidiaries

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

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

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

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

Changes in Ownership Interests

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

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

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Particulars of Subsidiary Company consolidated

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

(c) Going Concern

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

(d) Current versus non-current classification

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

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

(e) 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 on the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

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

(f) Revenue Recognition

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

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

Sale of Goods

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

Income from Services

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

Dividends and Interest Income

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

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

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

(g) Foreign Currency

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

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

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

(h) Property, Plant and Equipment

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

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

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

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

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

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

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

(i) Intangible Assets

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

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

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

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

(j) Borrowing Costs

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

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

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

(k) Inventories

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

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

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

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

Scrap is valued at net realizable value.

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

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

(l) Provisions and Contingencies

Provisions

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

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

Contingent Liabilities

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

Contingent Assets

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

(m) Employee Benefits

Short-Term Obligations

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

Other Long-Term Employee Benefit Obligations

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Post-Employment Obligations

Defined Benefit Plans

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

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

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

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

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

Defined Contribution Plans

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

(n) Cash and Cash Equivalents

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

(o) Taxes

Taxes comprise of current income tax and deferred tax.

Current Income Tax

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

Deferred Tax

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

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

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

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

Current and deferred tax for the year

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

(p) Leases

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

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Group as a lessee

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

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

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

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

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

Group as a lessor

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

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

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

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

(q) Impairment of Non-Financial Assets

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

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

(r) Fair Value Measurement

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

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial information are categorized within the

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

(s) Financial Instruments

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

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

Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

Classification of Financial Assets

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

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

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

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

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

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

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

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

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

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

Investment in equity instrument of other than subsidiaries, joint ventures and associates are classified at fair value through profit or loss, unless the group irrevocably elects on initial recognition to

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

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

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

Trade & Other Receivables

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

Impairment of Financial Assets

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

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

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

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

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

Derecognition of Financial Assets

A financial asset is derecognised only when:

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

Financial Liabilities

Classification of Debt or Equity

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

Equity Instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through Statement of Profit and Loss

Trade and Other Payables

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

Borrowings

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

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

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

Derecognition of Financial Liabilities

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

Offsetting Financial Instruments

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(t) Dividends

- The Board has not recommended any annual dividends on equity shares for the FY 19-20.
- The Board has recommended and paid interim dividend on equity shares @ 80% on paid up share capital of the company i.e. Rs. 4.00 per paid up equity share.

(u) Since wholly owned subsidiary was acquired on 30th July, 2019, figures for the FY 2018-19 have not been reported.

ANNEXURE-V NOTES TO CONSOLIDATED 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 1 April 2019	**608.48**	**164.06**	**641.26**	**15.15**	**4.57**	**3.65**	**23.00**	**1,460.16**
Additions	26.63	123.72	148.57	11.90	4.26	3.30	13.15	331.52
Disposals/write off	-	-	2.13	-	-	-	3.61	5.74
As at 31 March 2020	**635.11**	**287.77**	**787.70**	**27.05**	**8.83**	**6.95**	**32.54**	**1,785.95**

Description	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Office Appliances	Computers	Vehicles	Total
Accumulated Depreciation								
As at 1 April 2019	**-**	**18.42**	**127.63**	**4.26**	**3.31**	**1.97**	**9.08**	**164.67**
Charge for the year	-	9.70	54.54	2.30	0.74	0.76	3.06	71.11
Disposals/write off	-	-	2.00	-		-	2.52	4.52
As at 31 March 2020	**-**	**28.12**	**180.17**	**6.57**	**4.05**	**2.73**	**9.62**	**231.26**

Description	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Office Appliances	Computers	Vehicles	Total
Net Book Value								
As at 31 March 2020	**635.11**	**259.65**	**607.53**	**20.48**	**4.78**	**4.22**	**22.92**	**1,554.68**

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 4 Other Intangible Assets

₹ in Million

Description	Computer Software	Trademark	Techinical Know-How	Total
Cost				
As at 1 April 2019	**8.22**	**0.03**	**-**	**8.25**
Additions	3.60	0.35	2.57	6.53
Disposals/write off	-	-		-
As at 31 March 2020	**11.82**	**0.38**	**2.57**	**14.77**
Accumulated Depreciation				
As at 1 April 2019	**3.75**	**-**	**-**	**3.75**
Charge for the year	1.61	0.02	0.09	1.72
Disposals/write off	-	-	-	-
As at 31 March 2020	**5.36**	**0.02**	**0.09**	**5.48**
Net Book Value				
As at 31 March 2020	**6.46**	**0.36**	**2.47**	**9.30**

Note No: 5 Non Current Investments

₹ in Million

Particulars		As at 31-Mar-20	
		No. of Shares	Amount
Investment in Equity Shares			
A. In Others - At FVTPL			
- Bank of Maharashtra	10/-	1,900	0.02
Total (A)		**1,900**	**0.02**
Total Investments		**1,900**	**0.02**
Aggregate Value of Unquoted Investments			-
Aggregate Value of Quoted Investments			0.02
Aggregate Market Value of Quoted Investments			0.02
Aggregate Amount of Impairment in Value of Investments			-

Note No: 6 Inventories

₹ in Million

Particulars	As at 31-Mar-20
Raw Materials	143.23
Finished Goods	41.04
Work in Progress	4.95
Total	**189.22**

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).

Note No: 7 Trade Receivables

₹ in Million

Particulars	As at March 31, 2020
Carried at Amortised Cost	
From Others*	
- Secured, considered good	0.03
- Unsecured, considered good	189.91
- With significant increase in credit risk	-
- credit impaired	-
Total	**189.94**

* No amount is due from Related parties.

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 7 Trade Receivables (Contd..)

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

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

Refer Note No 40 for ageing of Trade Receivables.

Note No: 8 Cash and Cash Equivalents

₹ in Million

Particulars	As at 31-Mar-20
Cash in hand	0.00
Balances with Bank	-
- in current accounts	113.28
Total	**113.28**

Note No: 9 Other Bank Balances

₹ in Million

Particulars	As at 31-Mar-20
Balances with Bank	
- in Deposit having maturity for more than 3 months but less than 12 months	420.31
- in Unpaid Dividend account	1.23
Total	**421.54**

Note No: 10 Other Financial Assets

₹ in Million

Particulars	As at 31-Mar-20
Carried at Amortised Cost	
Unsecured, considered good	
Advances to employees	0.88
Security deposits	22.03
Total	**22.91**

Note No: 11 Other Current Assets

₹ in Million

Particulars	As at March 31, 2020
Unsecured, considered good	
Advance to Vendors	94.97
Duty Drawback receivable	0.65
Prepaid Expenses	8.98
Balance of Cenvat/GST	3.39
Other assets	3.30
Total	**111.29**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 12 Equity Share Capital

₹ in Million

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

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

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-20	
	No. of Shares	Amount
Balance at the beginning of the year	**19676700**	**98.3835**
Add: Effect due to Share Split	-	-
Add: Effect due to Bonus Issue	-	-
Less: Cancelled during the year	-	-
Balance at the End of the Year	**1,96,76,700**	**98.38**

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

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

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

₹ in Million

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

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

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, 2019	-	82.74	1,398.78	1,481.52
Profit for the year	-	-	745.56	745.56
Other Comprehensive Income (net of tax)	-	-	1.42	1.42
Transfer to General Reserve	-	-	-	-
Dividend & Dividend Distribution Tax	-	-	(165.56)	(165.56)
Less: Utilised during the year			-	-
As at March 31, 2020	**0.00**	**82.74**	**1,980.20**	**2,062.93**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 14 Non-Current Borrowings

₹ in million

Particulars	As at 31-Mar-20
At Amortised Cost	
Term Loans from Banks (Secured)	
Vehicle Loan	9.25
Other Term Loan	390.00
Loans from Related Parties (Unsecured)	
From Directors	-
Total	**399.25**
Less: Current Maturities on Non Current Borrowings	
- Outstanding From Banks	121.99
Total	**121.99**
Total Non-Current Borrowings	**277.26**

Security, Interest & Repayment Details:

₹ in Million

Particulars	As at 31-Mar-20
Term Loan from Banks	
HDFC Bank- Loan for Rs. 480 Million	
Balance Outstanding	
Current Maturity	120.00
Non - Current Maturity	270.00

Security Terms:

Secured against Factory Land & Building, Plant & Machinery, Stock & Book Debts and personal guarantee of two Directors - Madhu Bhushan Khurana and Sidhartha 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 31-Mar-20
Balance outstanding	
Current Maturity	1.99
Non-current Maturity	7.26

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

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

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 31-Mar-20
Balance Outstanding	
Current Maturity	120.00
Non-current Maturity	270.00
Total	**390.00**

Vehicle Loan

₹ in Million

Particulars	As at 31-Mar-20
Balance Outstanding	
Current Maturity	1.99
Non-current Maturity	7.26
Total	**9.25**

Loan from Related Parties

₹ in Million

Particulars	As at 31-Mar-20
Balance Outstanding	
Current Maturity	-
Non-Current Maturity	-

Interest Rate:

At current market rate of Interest

Repayment Terms:NA

Aggregating amount of loan guaranteed by directors:

₹ in Million

Particulars	As at 31-Mar-20
Term Loans	390.00

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 15 Other Non-Current Financial Liabilities

₹ in Million

Particulars	As at 31-Mar-20
At Amortised Cost	
Security Deposit from Dealers	22.23
Payables on purchase of Property, Plant & Equipment	84.10
Total	**106.34**

Note No: 16 Non-Current Provisions

₹ in Million

Particulars	As at 31-Mar-20
Provision for Employee Benefits	
- Gratuity	14.66
- Leave Encashment	5.27
Total	**19.93**

Note No: 17 Deferred Tax Liabilities (Net)

₹ in Million

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

Reconciliation of Deferred Tax Liabilities (Net)

₹ in Million

Particulars	As at 31-Mar-20
Deferred Tax Liabilities:	
Impact of difference between tax depreciation and depreciation	
Opening Balance	114.41
Movement during the year	(35.10)
Closing Balance	**79.31**
Deferred Tax Assets:	
Disallowance under the Income Tax Act, 1961	
Opening Balance	10.82
Movement during the year	(1.56)
Closing Balance	**9.26**
Net Deferred Tax Liabilities/(Asset)	**70.05**

Note No: 18 Current Borrowings

₹ in Million

Particulars	As at 31-Mar-20
At Amortised Cost	
Loan Repayable on Demand	
From Banks (Secured*)	
- Cash Credit	-
Total	**-**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 18 Current Borrowings (Contd..)

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

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

Note No: 19 Trade Payables

₹ in Million

Particulars	As at 31-Mar-20
At Amortised Cost	
Dues Owed to Micro, Small and Medium Enterprises*	2.71
Dues of other than MSMEs	336.84
Total	**339.55**

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

Note No: 20 Other Current Financial Liabilities

₹ in Million

Particulars	As at 31-Mar-20
At Amortised Cost	
Current Maturities on Non-Current Borrowings from Banks (Refer Note No. 14)	121.99
Unpaid Dividend	0.69
Payables on purchase of Property, Plant & Equipment	121.41
Employee Related Liabilities	36.11
Expenses Payable	12.49
Others Payable	56.51
Total	**349.20**

Note No: 21 Other Current Liabilities

₹ in Million

Particulars	As at 31-Mar-20
Advances received from Customers	35.96
Statutory Dues	34.35
Total	**70.31**

Note No: 22 Current Provisions

₹ in Million

Particulars	As at 31-Mar-20
Provision for Employee Benefits	
- Gratuity	14.41
- Leave Encashment	2.54
Total	**16.95**

Note No: 23 Current Tax Liabilities

₹ in Million

Particulars	As at 31-Mar-20
Income Tax Payable	63.98
Total	**63.98**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 24 Revenue from operations

₹ in Million

Particulars	Year Ended 31-Mar-20
Sale of Goods	
- Inland Sales	3,961.00
- Exports Sales	351.36
Total Revenue from Operations	**4,312.36**

Note No: 25 Other Income

₹ in Million

Particulars	Year Ended 31-Mar-20
Other income - recurring	
Interest Income	43.52
Rent Income	0.26
Miscellaneous Income	4.56
Other income - non recurring	
Profit on Sale of Property*	-
Profit on Sale of Fixed Assets	0.83
Profit on account of currency fluctuation	-
Credit Balance of Debtors write on	-
Export Incentive	0.11
Sale of Export Licence	7.82
Total	**57.10**
Interest income (calculated using the effective interest method) for financial assets that are classified at amortised cost	43.52

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

Note No: 26 Cost of Material Consumed

₹ in Million

Particulars	Year Ended 31-Mar-20
Consumption of:	
Polycarbonate	147.51
Cloth	154.24
ABS	329.97
Thermocol	155.72
Buckle	39.78
PPCP	21.92
Paints	118.19
Other Components	773.48
Total	**1,740.81**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

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

₹ in Million

Particulars	Year Ended 31-Mar-20
Inventory at the beginning of the year	
Finished Goods	23.23
Work in Progress	3.51
Total	**26.74**
Less: Inventory at the end of the year	
Finished Goods	41.04
Work in Progress	4.95
Total	**45.99**
Net (Increase)/decrease	**(19.25)**

Note No: 28 Employee Benefit Expenses

₹ in Million

Particulars	Year Ended 31-Mar-20
Salaries, Wages and Bonus	425.98
Contribution to Provident Fund & Other Fund	26.31
Employees Welfare Expenses	11.81
Total	**464.09**

Note No: 29 Finance Cost

₹ in Million

Particulars	Year Ended 31-Mar-20
Interest on:	
- Cash Credit / Overdraft	0.13
- Vehicle Loan	0.48
- Payment to MSME	0.01
- Term Loan	7.64
- Dealer Security Deposit	0.89
Total	**9.14**
Interest expense (calculated using the effective interest method) for financial liabilities that are Classified at Amortised Cost	9.14

Note No: 30 Depreciation and Amortisation Expense

₹ in Million

Particulars	Year Ended 31-Mar-20
Depreciation/Amortisation of tangible assets	71.11
Amortisation of intangible assets	1.72
Total	**72.84**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 31 Other Expenses

₹ in Million

Particulars	Year Ended 31-Mar-20
Labour Charges	146.41
Packaging & Forwarding	236.83
Power & Fuel	147.87
Store Consumed	39.43
Cartage Outward	191.95
Insurance Expenses	6.66
Repair and Maintenance :	
- Plant & Machinery	17.37
- Building	2.21
- Others	14.28
Rent	19.29
Payment to Auditors*	1.37
Legal & Professional Expenses	32.78
Corporate Social Responsibility (CSR) expenses#	10.10
Loss on change in fair value of Investments	-
Travelling & Conveyance Expenses	13.37
Loss on Currency Fluctuation	2.00
Commission on Sales	10.87
Advertisement	33.61
Target Incentive	152.34
Bank Charges	1.08
Miscellaneous Expenses	67.55
Total	**1,147.37**

*** Details of Auditor's Remuneration**

₹ in Million

Particulars	Year Ended 31-Mar-20
Payment to Auditors	
- For Audit Fees-Statutory	0.50
- For Audit Fees-Internal	0.83
For Reimbursement of Expenses	0.05
- For Taxation Matters	-
Total	**1.37**

Refer Note No. 35

Note No: 32 Earnings per share

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

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

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

₹ in Million

Particulars	Year Ended 31-Mar-20
Profit after tax for calculation of EPS (Rs. in million) (A)	745.56
Number of equity shares post split*	1,96,76,700
Add: Effect of Bonus issue#	-
Number of equity shares for calculating basic & diluted EPS (B)	1,96,76,700
Face Value per share (Amount in Rs.)	5.00

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 32 Earnings per share (Contd..)

₹ in Million

Particulars	Year Ended 31-Mar-20
Basic Earning per share (Amount in Rs.) (A/B)	37.89
Diluted Earning per share (Amount in Rs.) (A/B)	**37.89**

* The Board at its meeting held on June 08, 2018 recommended to split equity share of Rs. 10/- each into two equity shares of Rs. 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.

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-20
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-
- Principal amount due to MSME	2.71
- Interest due on above	
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 INR 10.10 million for CSR activities carried out during the current year:-

₹ in Million

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

₹ in Million

Particulars	Paid	Due as on 31-Mar-20
(ii) Amount spent during the year ending on March 31, 2020:		
1. Construction / acquisition of any asset	-	
2. On purposes other than (i) above		
– Studds Foundation	10.10	

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 36 Related Party Disclosures

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

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

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)
- Ms. Kanika Bhutani	Company Secretary (Upto 10/07/2019)
- Mr. Saurav Kumar	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 2020:-

₹ in Million

S. No.	Name of the Party	Nature of Transaction	Year Ended 31-Mar-20
1	Mr. Madhu Bhushan Khurana	**Director's Remuneration:**	
		- Short-term employee benefits	30.00
		- Post-employment benefits	-
		Dividend	76.25
		Rent	0.25
		Balance Receivable/(Payable)	(12.45)
2	Mrs. Chand Khurana	**Salary:**	
		- Short-term employee benefits	2.51
		- Post-employment benefits	-
		Dividend	11.54
		Rent	0.25
		Balance Receivable/(Payable)	(0.14)
3	Mr. Sidhartha Bhushan	**Director's Remuneration:**	
	Khurana	- Short-term employee benefits	30.17
		- Post-employment benefits	-
		Dividend	19.70
		Balance Receivable/(Payable)	(12.45)
4	Mrs. Garima Khurana	**Salary:**	
		- Short-term employee benefits	1.31
		- Post-employment benefits	0
		Dividend	0.25
		Balance Receivable/(Payable)	(0.08)
5	Ms. Kanika Bhutani	Salary	0.47
6	Mr. Sanjay Sethi	Salary	-
7	Mr. Manish Mehta	Salary	4.76
8	Mr. Saurav Kumar	Salary	1.18
9	Studds Foundation	CSR Expenditure	10.10

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

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

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 2020 & 2019, 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-20
Rent Expense under Operating Lease	19.29

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-20
Rent Income under Operating Lease	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.

(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-20
Estimated amount of contracts remaining to be executed on capital account and not provided for	22.01

(iii) Contingent Liabilities

₹ in Million

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 37 Commitments and Contingencies (Contd..)

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

(b) The sales tax demand amounting to 0.46 million pertains to Financial Year 2015-16 from Office of Taxing Authority, Dist.- Faridabad (East)

(c) The demand of Sales Tax amounting to 17.69 million pertaining to Financial year 2015-16 has been nullified vide order 17 Feb, 2020.

(d) The company filed an appeal with CIT (A) Faridabad in respect of demand pertaining to A/Y 2016-17 amounting to Rs. 20,31,641 on 20/01/2019. The company has won the filed appeal and the demand has been nullified in order of CIT (A) dated 24 Jan, 2020

(e) The company has received Service Tax order dated 18 Aug, 2020 showing demand of Rs. 1,67,16,452. The company intends to file an appeal against such demand.

(f) The company received a notice from GST department on 14 Aug, 2018 having demand of Rs 20,46,477.19. The company has replied to the notice on 20 Aug, 2018 against which no further clarification/orders has been received from the concerned authorities.

(g) 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.

(h) A workman had filed a case in the Labour Court Faridabad against the Company regarding a termination of his employment. The honourable court has ordered payment of 25 % back wages along with reinstatement. Afterwards, a writ petition in High Court for enhancement of the back wages along with consequential benefits has been filled by the workman, the order of the court is still awaited.

(i) The company has a ongoing legal dispute under the court of Karnataka against the Govt of Karnataka (Dept of Legal Metrology), which can lead to a penalty with the maximum amount of Rs 25,000, if decision is not in favour of the company.

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-20
Employer's Contribution to Provident Fund & Pension*	18.33
Employer's Contribution to ESI*	7.53

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

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

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

I. Disclosures in Respect of Gratuity:

(i) Present value of Defined Benefit Obligation:

₹ in Million

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 38 Employee Benefits (Contd..)

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

I. Disclosures in Respect of Gratuity:(Contd..)

(ii) Fair Value of Plan Assets:

₹ in Million

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

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

₹ in Million

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

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

₹ in Million

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

(v) Amount recognised in Other Comprehensive Income:

₹ in Million

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

(vi) Funding Pattern

₹ in Million

Particulars	Year Ended 31-Mar-20
	Nil

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

₹ in Million

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

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 38 Employee Benefits (Contd..)

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

I. Disclosures in Respect of Gratuity:(Contd..)

(viii) A quantitative sensitivity analysis for significant assumption

(a) Discount rate

₹ in Million

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

(b) Salary growth rate

₹ in Million

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

(c) Attrition Rate

₹ in Million

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

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

(ix) Defined benefit liability and employer contributions

Expected benefit payments are as follows:

₹ in Million

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

(x) Risk exposure

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

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

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 38 Employee Benefits (Contd..)

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

I. Disclosures in Respect of Gratuity:(Contd..)

(ix) Defined benefit liability and employer contributions (Contd..)

Expected benefit payments are as follows: (Contd..)

(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-20
Present value of obligation as at the beginning	4.91
Current service cost	3.96
Interest cost	0.24
Re-measurement (or Actuarial) (gain) / loss	2.31
Benefits paid	(3.60)
Present Value of Obligation as at the end	**7.81**
Current Liability	**2.54**
Non-Current Liability	**5.27**

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

₹ in Million

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

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

₹ in Million

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

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

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

₹ in Million

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

ANNEXURE-V NOTES TO CONSOLIDATED 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-20	
	Carrying Value	Fair Value
Non-Current Investments*	0.02	0.02
Trade Receivables	189.94	189.94
Cash & Cash Equivalents	113.28	113.28
Other Bank Balances	421.54	421.54
Other Financial Assets	22.91	22.91
Total Financial Assets	**747.69**	**747.69**

* 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-20	
	Carrying Value	Fair Value
Non-Current Borrowings	277.26	277.26
Other Non-Current Financial Liabilities	106.34	106.34
Current Borrowings	-	-
Trade Payables	339.55	339.55
Other Current Financial Liabilities#	349.20	349.20
Total Financial Liabilities	**1072.34**	**1072.34**

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-20
Financial Assets	
Financial investments as FVTPL	
Investment in Quoted Shares (Level 1)	0.02

ANNEXURE-V NOTES TO CONSOLIDATED 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:

C. Fair value measurement hierarchy for Assets and Liabilities

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 2020.

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

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

Interest Rate Risk

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

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

₹ in Million

Particulars	Increase/decrease in basis points	Year Ended 31-Mar-20
INR Loans*	+ 50 Basis Points	(0.01)
INR Loans*	- 50 Basis Points	0.01

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

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

Foreign Currency Risk

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

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

₹ in Million

Liabilities/Assets	Foreign Currency (Amt in million) As at 31-Mar-20
Liabilities	
USD	0.36
EURO	0.07
Assets	
USD	0.37
EURO	0.06

₹ in Million

Liabilities/Assets	INR (Rs. in million) As at 31-Mar-20
Liabilities	
USD	27.08
EURO	5.57
Assets	
USD	28.10
EURO	4.67

Foreign Currency Sensitivity

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

₹ in Million

Currency	Change in rate	Effect on profit before tax for the year 31-Mar-20
USD	Appreciation in INR by 5%	(0.05)
USD	Depreciation in INR by 5%	0.05
EURO	Appreciation in INR by 5%	0.04
EURO	Depreciation in INR by 5%	(0.04)

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

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

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

Trade Receivables (Contd..)

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 2020 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

₹ in Million

Particulars	As at 31-Mar-20
0-6 Months past due	186.64
6-12 Months past due	1.50
More than 12 months	1.82
Total	**189.94**

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 2020 is the carrying amounts of balances with banks.

Liquidity Risk

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

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

₹ in million

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2020				
Borrowings	121.99	277.26	-	399.25
Other Non-Current Financial Liabilities	-	106.34	-	106.34
Current Borrowings			-	-
Trade Payables	339.55	-	-	339.55
Other Current Financial Liabilities	227.21	-	-	227.21
Total	**688.75**	**383.60**	**-**	**1,072.34**

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-20
Borrowings	399.25
Trade Payables	339.55
Less: Cash and cash equivalents	113.28
Net Debt (A)	**852.08**
Equity (B)	**2,161.31**
Net Debt/ Equity Ratio (A/B)	**39.42%**

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 41 Capital Management (Contd..)

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

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The 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 Consolidated financial information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the 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 Consolidated financial information.

(ii) Impairment of financial assets

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The 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.

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

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

(iii) Impairment of Assets

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

(iv) Gratuity benefits

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

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

(v) Taxes

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

Note No: 43 Distributions made and Proposed

₹ in Million

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

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

The Board has not recommended any annual dividends on equity shares for the FY 19-20.

The Board has recommended and paid interim dividend on equity shares @ 80% on paid up share capital of the company i.e 4.00 per paid up equity share.

ANNEXURE-V NOTES TO CONSOLIDATED FINANCIAL INFORMATION

Note No: 44 Events after the reporting period

(a) The company has received Service Tax order dated 18 Aug, 2020 showing demand of Rs. 1,67,16,452. The company is in the process of filling appeal against such demand.

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

As per our report of even date attached

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

CA RAJAN CHHABRA
Partner
M No. : 088276

Place: Faridabad
Date: 31st August, 2020

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Chairman and Managing Director
DIN:00172770

Sidhartha Bhushan Khurana
Managing Director
DIN: 00172788

Shanker Dev Choudhry
Independent Director
DIN: 07094705

Place: Faridabad
Date: 31st August, 2020

Manish Mehta
Chief Financial Officer

Saurav Kumar
Company Secretary

ANNEXURE-VII STATEMENT OF ACCOUNTING RATIOS

₹ in Million

Particulars	Year Ended 31-Mar-20
Basic and Diluted Earnings per Share (Rs.)	37.89
Return on Net Worth (%)	34.50%
Net asset value per equity share (Rs)	109.84
Number of equity shares for Basic and Diluted Earnings Per Equity Share	1,96,76,700
Net Profit after tax, as restated (Rs. In million)	745.56
Closing Number of Equity Shares	19676700
Equity Share Capital (Rs. In million)	98.38
Other Equity (Rs. In million)	2,062.93
Net Worth (Total Equity) (Rs. In million)	2,161.31

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 Rs. 10/- each to Rs. 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 Consolidated Financial Information

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

STUDDS ACCESSORIES LIMITED

NOTICE OF THE 38TH ANNUAL GENERAL MEETING

Regd. Office: 23/7, Mathura Road, Ballabgarh, Faridabad-121004, Haryana
CIN: U25208HR1983PLC015135
Website: www.studds.com/**Email:**secretarial@studds.com
Ph.No-0129-4296500

NOTICE is hereby given that the 38th (Thirty Eight) Annual General Meeting ("AGM") of the members of **Studds Accessories Limited** ("the Company") will be held on **Tuesday, September 29, 2020 at 4:00 P.M.** through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company together with the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company including the Auditors Report thereon for the year ended March 31, 2020.

2. To appoint a Director in place of Mr. Sidhartha Bhushan Khurana (DIN: 00172788) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr. Madhu Bhushan Khurana (DIN: 00172770) as the Chairman and Managing Director

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, consent of the Members of the Company be and are hereby accorded for the re-appointment of Mr. Madhu Bhushan Khurana (DIN: 00172770), as the Chairman and Managing Director of the Company for a period of 5 (five) consecutive years as per the following terms:

1. Term of Appointment: With effect from October 01, 2020, till September 30, 2025

2. Total Compensation:

(a) Salary

Basic salary of Rs.5,00,000/- p.m. with authority to the Board (which expression shall include a committee thereof), to revise his salary from time to time.

(b) Perquisites & Allowances

In addition to salary, the Chairman and Managing Director shall also be entitled to perquisites and allowances, as detailed below:

(i) Special Allowance upto Rs.2,50,000/-(50% of Basic salary) (payable monthly).

(ii) Leave Travel Concession: Leave Travel Concession for self and family subject to a ceiling of three months basic salary (Family means the spouse, dependent children and dependent parents).

(iii) Medical Reimbursement: Reimbursement of the expenses incurred for self and family subject to a ceiling of three months basic salary every year and such actual expenses as prescribed under the proviso to section 17(2) of the Income Tax Act.

(iv) Provident Fund, Bonus, Gratuity as per the rules of the Company.

(v) Motor Cars: Company maintained two motors cars with chauffeurs for official & personal use.

(vi) Club Membership Annual Fees subject to four Clubs.

(vii) Coverage under Medical Claim Insurance, Group Personal Accident Insurance & Term Insurance as per company policy.

(viii) Round the clock one armed security guard to be provided by the Company at his residence.

(ix) Telephone: Telephone provided at residence to be paid by Company and mobile phone expenses as per the rules of the Company.

(x) Actual Electricity and Water Charges of his residence

(xi) Actual annual maintenance cost of air conditioners and generators of his residence.

(xii) Actual fuel charges of generators of his residence.

(xiii) Hard and Soft Furnishing at residence equivalent to three (3) months basic salary every year.

3. Commission

Upto 5% of the Net Profits (Inclusive of the payment made under Salary and Perquisites & Allowances mentioned above in point 1 and point 2) of the Company for each Financial year or part thereof. Net Profit to be computed in accordance with the provisions of section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT wherein any financial year, during the term of office of Mr. Madhu Bhushan Khurana, (DIN: 00172770), Chairman and Managing Director, the Company has no profits or its profits are inadequate, Mr. Madhu Bhushan Khurana (DIN: 00172770), Chairman and Managing Director shall continue to get the same remuneration as minimum remuneration subject to the provisions of Schedule V of the Companies Act, 2013 and approval of the Central Government or such other appropriate authorities, whenever required.

RESOLVED FURTHER THAT subject to provisions of the Companies Act, 2013 and regulations contained in the Articles of Association of the Company, Mr. Madhu Bhushan Khurana (DIN: 00172770), Chairman and Managing Director shall be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Sidhartha Bhushan Khurana, Managing Director and Mr. Saurav Kumar, Company Secretary of the Company be and hereby severally authorised to do all acts, matters, things, deeds as may be necessary to give effect to this resolution."

4. **Re-appointment of Mr. Shanker Dev Choudhry (DIN-07094705) as an Independent Director for a second term**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Shanker Dev Choudhry (DIN-07094705), who holds office of Independent Director up to March 01, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from March 02, 2020 upto March 01, 2025".

RESOLVED FURTHER THAT Mr. Madhu Bhushan Khurana, Chairman and Managing Director, Mr. Sidhartha Bhushan Khurana, Managing Director and Mr. Saurav Kumar, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. **Re-appointment of Ms. Pallavi Saluja (DIN-07006557) as an Independent Director for a second term**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Ms. Pallavi Saluja (DIN-07006557), who holds office of Independent Director up to March 01, 2020 and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from March 02, 2020 upto March 01, 2025".

RESOLVED FURTHER THAT Mr. Madhu Bhushan Khurana, Chairman and Managing Director, Mr. Sidhartha Bhushan Khurana, Managing Director and Mr. Saurav Kumar, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board of
For **Studds Accessories Limited**

MR. MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770
ADD: 1349, SECTOR-14,
FARIDABAD-121007, HARYANA

DATED: AUGUST 31, 2020
PLACE: FARIDABAD

CIN: U25208HR1983PLC015135
REGISTERED OFFICE: 23/7, MATHURA ROAD, BALLABGARH,
FARIDABAD-121004, HARYANA
PHONE NO. 0129-4296500
WEBSITE: WWW.STUDDS.COM
EMAIL: SECRETARIAL@STUDDS.COM

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') which sets out details relating to Special Business (being considered unavoidable by the Board of Directors)at the meeting, is annexed hereto and forms part of the notice.

2. In view of the massive outbreak of the COVID-19 pandemic and the social distancing norms to be followed in the Country, the Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5,2020 respectively ('MCA Circulars') has permitted the holding of the AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility without the physical presence of the Members/Shareholders at a common venue. In compliance with the provisions of the Act, and MCA Circulars, the 38th AGM of the Company is being held through VC/OAVM facility.

   The Deemed Venue for the 38th AGM shall be the Registered Office of the Company.

3. The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, therefore physical attendance of Members/ Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Members/Shareholders will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

   However, Corporate Members/Shareholders intending to authorize their representatives to attend & vote at the AGM through VC / OAVM facility on its behalf are requested to send duly certified copy of the relevant board resolution to the Company.

4. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

6. The attendance of the Members/Shareholders attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. In terms of Section 152 of the Act, Mr. Sidhartha Bhushan Khurana (DIN: 00172788), Managing Director, retires by rotation at the AGM and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend his reappointment.

8. At the 36th AGM held on September 28, 2018 the Members/ Shareholders approved appointment of M/s. Rajan Chhabra & Co., Chartered Accountants (ICAI Firm Registration no. 009520N), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 41st AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members/Shareholders at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 38th AGM.

9. The recording of the forthcoming AGM scheduled on September 29, 2020, shall also be made available on the website of the Company **https://www.studds.com/investor-relations** as soon as possible after the Meeting is over.

10. The relevant details, as required under Secretarial Standard-2, of persons seeking re-appointment as Directors at the Annual General Meeting ('AGM') are furnished herewith and forms part of the Notice.

11. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID **secretarial@studds.com** till the date of AGM.

12. During the AGM, Members/Shareholders may access Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act in accordance with the resolution of the Members/Shareholders of the Company through writing a mail to **secretarial@studds.com.**

13. Pursuant to Sections 101 and 136 of the Act read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members/ Shareholders who have registered their e-mail address either with the Company or with the Depository Participants ('DP'). Members/ Shareholders who have not registered their e-mail address with the Company can now register the same by sending an email to Company Secretary and Compliance Officer of the Company at **secretarial@studds.com** and/or by sending a request to Link Intime India Private Limited Registrar and Share Transfer Agent ('RTA') through email **delhi@linkintime.co.in** or contact 011-49411000. Members/ Shareholders holding Shares in demat form are requested to register their e-mail address with their DP only. The registered e-mail address will be used for sending future communications.

14. Members/Shareholders may note that this Notice of AGM and Annual Report will also be available on Company's website **https://www.studds.com/investor-relations.**

15. The Notice of AGM and Annual Report will be sent to those Members/ Shareholders whose name will appear in the Register of Members / list of beneficiaries received from the Depositories as on **August 28, 2020.**

16. Members/Shareholders desiring any information/clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at **secretarial@studds.com** at least seven days in advance to enable the management to keep information ready at the AGM. Members/Shareholders desiring to seek information/ clarification during the AGM on the accounts or any matter to be placed at the AGM may ask through the chat box facility provided by Link Intime India Private Limited.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members/Shareholders holding shares in electronic form are, therefore requested to submit their

PAN to their Depository Participants with whom they are maintaining their demat accounts. Members/Shareholders holding shares in physical form, if any, can submit their PAN to the Registrar and Share Transfer Agent ("RTA") Link Intime India Private Limited.

18. Ministry of Corporate Affairs vide its notifications dated September 10, 2018, mandated that securities of unlisted public companies can be transferred only in dematerialized form w.e.f. October 02, 2018. Accordingly, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialization, Members/ Shareholders are requested to dematerialize the shares held by them in physical form.

19. Members/Shareholders holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company by submitting Form No. SH-13 in terms of Section 72 of the Companies Act, 2013 to the RTA. Members/Shareholders holding shares in electronic form may submit the same to their respective DP. The nomination form can be downloaded from the Company's website **https://www.studds.com/investor-relations.** Members/Shareholders who require communication in physical form in addition to e-communication or have any other queries, may write to the RTA or Company at its Registered Office address.

20. Non-Resident Indian Members/Shareholders are requested to inform RTA, immediately of:

    (a) Change in their residential status on return to India for permanent settlement;

    (b) Particulars of their bank account maintained in India with complete name, branch, account number, account type and address of the Bank with pin code number

21. Attention of the Members/Shareholders is drawn to the provisions of Section 124(6) of the Companies Act, 2013 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.

    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/ Shareholders for 7 (seven) consecutive years or more. Members/ Shareholders are advised to visit the web-link **https://www.studds.com/investor-relations** to ascertain details of shares liable for transfer to the IEPF Authority.

22. All correspondence including share transfer documents should be addressed to the RTA of the Company viz. Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Tel: 011 - 49411000, e-mail: **delhi@linkintime.co.in.**

A. INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC / OAVM

1. Members/Shareholders will be able to attend the AGM through VC/ OAVM provided by Link Intime India Private Limited through email.

2. The Members/Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 Members/Shareholders on first come first served basis.

3. 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 **September 22, 2020.**

4. **Process and Manner for attending AGM through VC/ OAVM are as follows:-**

    (a) Open the internet browser and launch the URL: **https://instameet.linkintime.co.in**

    (b) Select the **"Company"** and **"Event Date"** and register with your following details: -

A.	**Demat Account No. or Folio No**
(i)	Members/Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
(ii)	Members/Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
(iii)	Members/Shareholders holding shares in physical form shall provide Folio Number registered with the Company
B.	**PAN**
	Enter your 10-digit Permanent Account Number (PAN) (Members/Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
C.	**Mobile No**
	Enter your mobile number.
D.	**Email ID**
	Enter your email id, as recorded with your DP/Company.
E.	**Click "Go to Meeting (You are now registered for InstaMeet and your attendance is marked for the meeting).**
F.	**Instructions for Members/Shareholders to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the Company through email on **secretarial@studds.com.**

SPEAKER REGISTRATION FORM *

Name of Shareholder (including joint holder)	
DPID-CLID /Folio Number	
Permanent Account Number (PAN)	
Mobile Number	
Profession Query in brief	

*All fields are mandatory

2. Shareholders who will participate in the AGM through VC/ OAVM can also pose question/feedback through question box option. Such questions by the Members/Shareholders shall be taken up during the meeting or replied within 7 days from AGM date by the Company suitably.

3. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

4. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

NOTE: Shareholders are requested to speak only when moderator of the meeting/ Management will announce the name and serial number for speaking.

G. Members/Shareholders are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

H. Members/Shareholders are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

I. Please note that Members/Shareholders connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

J. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility can cast their vote on the resolutions through show of hands or poll if demanded during the AGM.

K. In case Members/Shareholders have any queries regarding login, they may send an email to **instameet@linkintime.co.in.**

5. **Guidelines to attend the AGM proceedings:-**

For a smooth experience of viewing the AGM proceedings, Members/Shareholders for the event are requested to download and install the WebEx application in advance by following the instructions as under:

A. Please download and install the WebEx application by clicking on the link **https://www.webex.com/downloads.html**

B. If you do not want to download and install the WebEx application, you may join the meeting by following the process mentioned as under:-

1. Enter your First Name, Last Name and Email ID and click on Join Now
2. If you have already installed the WebEx application on your device, join the meeting by clicking on Join Now
3. If WebEx application is not installed, a new page will appear giving you an option to either Add WebEx to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO.3

Mr. Madhu Bhushan Khurana (DIN: 00172770) will complete his tenure as the Chairman and Managing Director of the Company on September 30, 2020. Mr. Madhu Bhushan Khurana (DIN: 00172770) has been associated with the Company since inception and the Company has achieved new heights under his Directorship.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on August 31, 2020 have re-appointed Mr. Madhu Bhushan Khurana (DIN: 00172770) as the Chairman and Managing Director to hold office for a period of five consecutive years commencing from October 01, 2020 upto September 30, 2025, subject to approval by the Members of the Company at the ensuing Annual General Meeting ("AGM").

Mr. Madhu Bhushan Khurana (DIN: 00172770) , Chairman and Managing Director satisfies all the conditions set out in Part- I of Schedule V to the act and also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment.

The Company has received from Mr. Madhu Bhushan Khurana (DIN: 00172770) consent in writing to act as Chairman and Managing Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

The resolution seeks the approval of the members by way of special resolution in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for appointment of Mr. Madhu Bhushan Khurana (DIN: 00172770) as the Chairman and Managing Director to hold office for a period of five consecutive years commencing from October 01, 2020 upto September 30, 2025.

Except Mr. Madhu Bhushan Khurana (DIN: 00172770) and Mr. Sidhartha Bhushan Khurana (DIN: 00172788), no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 3 of this Notice. Disclosure under Secretarial Standard-2 issued by the Institute of Company Secretaries of India, is set out in the annexure to the Explanatory Statement.

ITEM NO.4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 08, 2020, have re-appointed Mr. Shanker Dev Choudhry (DIN-07094705) as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years commencing from March 02, 2020 upto March 01, 2025, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

In terms of Section 149 of the Companies Act, 2013, an Independent Director is eligible for re-appointment on passing of Special Resolution.

Mr. Shanker Dev Choudhry (DIN-07094705), who being eligible and has offered himself for re-appointment, is proposed to be appointed as an Independent Director for a Second Term of 5 (Five) years. In the opinion of the Board, Mr. Shanker Dev Choudhry (DIN-07094705) fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the Management.

The Board and its allied Committees have benefitted from his relevant specialization and expertise. Details on his attendance of various Board and Committee Meetings held during the last financial year are included in the Annual Report.

The Board upon the recommendation of the Nomination and Remuneration Committee, in their Meeting held February 08, 2020, has approved the re-appointment of Mr. Shanker Dev Choudhry (DIN-07094705) as an Independent Director and recommends the same for the approval by the Shareholders of the Company by way of Special Resolution.

Except Mr. Shanker Dev Choudhry (DIN-07094705), no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 4 of this Notice. Disclosure under Secretarial Standard-2 issued by the Institute of Company Secretaries of India, is set out in the annexure to the Explanatory Statement.

ITEM NO.5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 08, 2020, have re-appointed Ms. Pallavi Saluja (DIN-07006557) as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years commencing from March 02, 2020 upto March 01, 2025, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

In terms of Section 149 of the Companies Act, 2013, an Independent Director is eligible for re-appointment on passing of Special Resolution.

Ms. Pallavi Saluja (DIN-07006557), who being eligible and has offered himself for re-appointment, is proposed to be appointed as an Independent Director for a Second Term of 5 (Five) years. In the opinion of the Board, Ms. Pallavi Saluja (DIN-07006557) fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the Management.

The Board and its allied Committees have benefitted from his relevant specialization and expertise. Details on his attendance of various Board and Committee Meetings held during the last financial year are included in the Annual Report.

The Board upon the recommendation of the Nomination and Remuneration Committee, in their Meeting held February 08, 2020, has approved the re-appointment of Ms. Pallavi Saluja (DIN-07006557) as an Independent Director and recommends the same for the approval by the Shareholders of the Company by way of Special Resolution.

Except Ms. Pallavi Saluja (DIN-07006557), no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 5 of this Notice. Disclosure under Secretarial Standard-2 issued by the Institute of Company Secretaries of India, is set out in the annexure to the Explanatory Statement.

ANNEXURE

Pursuant to the Secretarial Standard-2 issued by the Institute of Company Secretaries of India, the following information is furnished about the Directors proposed to be appointed / re-appointed:

Name of the Director	Mr. Sidhartha Bhushan Khurana (DIN: 00172788)	Mr. Madhu Bhushan Khurana (DIN: 00172770)	Mr. Shanker Dev Choudhry (DIN-07094705)	Ms. Pallavi Saluja (DIN-07006557)
Date of Birth & Age	July 20, 1977 43 years	December 24, 1948 71 years	June 07, 1947 73 years	August 17, 1979 41 years
Qualification	Bachelor Degree in Aeronautical Engineering	Bachelor Degree in Aeronautical Engineering	Bachelor's degree in Science (Metallurgy)	LLB
Terms and Conditions of appointment/ re-appointment	Managing Director, liable to retire by rotation	Chairman and Managing Director, liable to retire by rotation	Non-Executive Independent Director, Non- liable to retire by rotation	Non-Executive Independent Director, Non- liable to retire by rotation
Details of Remuneration sought to be paid	NA	Same as previous approved remuneration	Sitting Fee to be paid, as director, for attending the Meetings of Board and Committees Meetings	Sitting Fee to be paid, as director, for attending the Meetings of Board and Committees Meetings
Last Remuneration drawn (Per Annum)	Rs. 30.17 million	Rs. 30.00 million	Not Applicable	Not Applicable
Date of first appointment on the Board	August 28, 1998	February 03, 1983	March 02, 2015	March 02, 2015
No. of shares held	2814480	10892880	18000	9000
Relationship with other Directors, Manager, and other Key Managerial Personnel of the Company	Mr. Madhu Bhushan Khurana (Chairman & Managing Director) and Mr. Sidhartha Bhushan Khurana (Managing Director), who are related to each other as father and son.	Mr. Madhu Bhushan Khurana (Chairman & Managing Director) and Mr. Sidhartha Bhushan Khurana (Managing Director), who are related to each other as father and son.	No Relation	No Relation
Number of Board Meetings attended during the Financial Year 2019-20	6 (Six)	6 (Six)	5 (Five)	1 (One)
Directorships held in other companies	None	None	None	SAB Media and Publication Services Private Limited
Chairman/ Member of the Committee of the Board of Directors of the Company	1. Audit Committee (Member) 2. Stakeholder's Relationship Committee (Member) 3. Corporate Social Responsibility (Member)	1. Nomination and Remuneration Committee (Member) 2. Stakeholder's Relationship Committee (Member) 3. Corporate Social Responsibility (Chairperson)	1. Audit Committee (Chairperson) 2. Nomination and Remuneration Committee (Member) 3. Stakeholder's Relationship Committee (Chairperson)	1. Audit Committee (Member) 2. Nomination and Remuneration Committee (Chairperson) 3. Corporate Social Responsibility (Member)
Committees position held in other Companies	None	None	None	None

FOR STUDDS ACCESSORIES LIMITED

MR. MADHU BHUSHAN KHURANA
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00172770
ADD: 1349, SECTOR-14,
FARIDABAD-121007, HARYANA

DATED: AUGUST 31, 2020
PLACE: FARIDABAD

CIN: U25208HR1983PLC015135
REGISTERED OFFICE: 23/7, MATHURA ROAD, BALLABGARH, FARIDABAD-121004, HARYANA
PHONE NO. 0129-4296500
WEBSITE: WWW.STUDDS.COM
EMAIL: SECRETARIAL@STUDDS.COM

STUDDS ACCESSORIES LIMITED

Corporate Identification No.: U25208HR1983PLC015135

Regd. Office: 23/7, Mathura Road, Ballabgarh,

Faridabad-121004, Haryana, India

Tel.: 0129-4296500

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