STUDDS ACCESSORIES LIMITED

Our Company was incorporated as 'Studds Accessories Private Limited' on February 3, 1983 under the Companies Act 1956, with a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"). Our Company became a deemed public limited company in terms of Section 43(A) of the Companies Act 1956 with effect from March 31, 1990 and the word 'private' was deleted from the name of our Company. Our Company subsequently got converted into a public limited company pursuant to a special resolution dated October 22, 1994 and our name was changed to 'Studds Accessories Limited'. Our certificate of incorporation was updated to reflect such conversion. For details of changes in name and registered office of our Company, see "***History and Certain Corporate Matters***" on page 145.

Corporate Identity Number: U25208HR1983PLC015135
Registered and Corporate Office: 23/7 Mathura Road, Ballabgarh, Faridabad 121 004, Haryana, India **Tel**: +91 129 429 6500 **Fax**: +91 129 429 6518
Contact Person: Ms. Kanika Bhutani, Company Secretary and Compliance Officer **Tel:** +91 129 429 6500 **Fax:** +91 129 429 6518
E-mail: secretarial@studds.com **Website**: www.studds.com

OUR PROMOTERS: MR. MADHU BHUSHAN KHURANA AND MR. SIDHARTHA BHUSHAN KHURANA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("EQUITY SHARES") OF STUDDS ACCESSORIES LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 980.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 3,939,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION COMPRISING UP TO 2,331,880 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY MR. MADHU BHUSHAN KHURANA AND UP TO 294,720 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SIDHARTHA BHUSHAN KHURANA (TOGETHER, THE "PROMOTER SELLING SHAREHOLDERS") AND UP TO 1,312,400 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY THE OTHER SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER, AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS") (THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS") AND WILL BE ADVERTISED IN [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE OF THE PLACE WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 5 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs, and at the terminals of the members of the Syndicate and by an intimation to Self-Certified Syndicate Banks ("**SCSBs**") and other Designated Intermediaries, as applicable..

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**") through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Category**"), provided that our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category (excluding the Anchor Investor Portion) ("**Net QIB Category**"). Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the QIB Category, including any unsubscribed portion of the reservation for Mutual Funds, if any, shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors ("**Non-Institutional Category**") and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("**Retail Category**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Investors (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process, and shall provide details of their respective bank account in which the Bid Amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "***Offer Procedure***" on page 350.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of our Equity Shares is ₹ 5 and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Offer Price (as determined and justified by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, in accordance with SEBI ICDR Regulations, and as stated in "***Basis for Offer Price***" on page 95) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 14.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each Selling Shareholder accepts responsibility for and confirms that the information relating to itself and the Equity Shares being offered by it in the Offer for Sale contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect.

LISTING

The Equity Shares offered though the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of this Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "***Material Contracts and Documents for Inspection***" on page 416.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
Edelweiss Financial Services Limited 14th Floor, Edelweiss House Off C S T Road, Kalina Mumbai 400 098, Maharashtra, India **Tel**: +91 22 4009 4400 **Fax:** +91 22 4086 3610 **E-mail:** sal.ipo@edelweissfin.com **Website:** www.edelweissfin.com **Investor Grievance E-mail:** customerservice.mb@edelweissfin.com **Contact Person:** Yashraj Shetty/ Jay Mehta **SEBI Registration No.:** INM0000010650	**IIFL Holdings Limited** 10th Floor, IIFL Centre, Kamala City Senapati Bapat Marg Lower Parel (West), Mumbai 400 013, Maharashtra, India **Tel**: +91 22 4646 4600 **Fax:** +91 22 2493 1073 **E-mail:** studds.ipo@iiflcap.com **Website:** www.iiflcap.com **Investor Grievance E-mail:** ig.ib@iiflcap.com **Contact Person:** Rajshekhar Swamy/ Aditya Agarwal **SEBI Registration No.:** INM000010940	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083, Maharashtra, India **Tel**: +91 22 4918 6200 **Fax**: +91 22 4918 6195 **E-mail**: studds.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Investor Grievance Email**: studds.ipo@linkintime.co.in **Contact Person**: Ms. Shanti Gopalkrishnan **SEBI Registration No.**: INR000004058

BID/OFFER PERIOD			
BID/OFFER OPENS ON*	[●]	**BID/OFFER CLOSES ON****	[●]

* *Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

** *Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

TABLE OF CONTENTS

SECTION I - GENERAL
DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

*Unless the context otherwise indicates, all references to "**the Company**", "**our Company**", "**the Issuer**", "**we**", "**us**" and "**our**" are references to Studds Accessories Limited, a company incorporated in India under the Companies Act 1956 with its registered and corporate office at 23/7 Mathura Road, Ballabgarh, Faridabad 121 004, Haryana, India.*

Company Related Terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act 2013, as described in the section "***Our Management***" on page 150.
Auditors/ Statutory Auditors	The statutory auditor of our Company, being Rajan Chhabra & Co., Chartered Accountants
Board/ Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
Chief Financial Officer/ CFO	The chief financial officer of our Company, namely Mr. Manish Mehta
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Ms. Kanika Bhutani
CSR Committee	The corporate social responsibility committee of our Board constituted in accordance with Section 135 of the Companies Act 2013, as described in the section "***Our Management***" on page 150.
Director(s)	The director(s) on our Board
Equity Shares	The equity shares of our Company having a face value of ₹ 5 each
Group Companies	The group companies of our Company, as covered under the applicable accounting standards and other companies as considered material by our Board in terms of the Materiality Policy. As on the date of this Draft Red Herring Prospectus, our Company has no Group Companies
IPO Committee	The IPO committee of our Board constituted to facilitate the process of the Offer, comprising Mr. Madhu Bhushan Khurana, Mr. Sidhartha Bhushan Khurana and Mr. Shanker Dev Choudhry
Key Managerial Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act 2013 and as described in "***Our Management***" on page 150
M.G. Steel	M.G. Steel Private Limited
Manufacturing Facility I	Our manufacturing facility located at 23/7, Mathura road, Ballabgarh, Faridabad 121 004, Haryana, India
Manufacturing Facility II	Our manufacturing facility located at plot no. 992-1023, Sector – 58, Ballabgarh, Faridabad 121 004, Haryana, India
Manufacturing Facility III	The proposed manufacturing facility for motorcycle helmets and accessories at industrial plot number 918, sector 68, Industrial Model Township, Faridabad, Haryana, India
Manufacturing Facility IV	The proposed manufacturing facility for bicycle helmets at industrial plot number 48, sector 68, Industrial Model Township, Faridabad, Haryana, India
Materiality Policy	The policy adopted by our Board on June 8, 2018 for identification of Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations
Memorandum of Association/ MoA	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act 2013, as described in the section "***Our Management***" on page 150.
Other Selling Shareholders	Includes (i) Ms. Chand Khurana; (ii) Mr. Ajay Leekha; (iii) Mr. Sanjay Leekha jointly held with Ms. Charu Leekha; (iv) Ms. Charu Leekha; (v) Mr. Sanjay Leekha; (vi) Mr. Anil Kumar Chopra; (vii) Mr. Praveen Chopra; (viii) Ms. Naintara Mehta; (ix) Mr. Harsh Deva Shanghari jointly held with Ms. Suneeta Shanghari; (x) Mr. Sunil Kumar Rastogi; and (xi) Ms. Shilpa

Term	Description
	Arora. For details of Equity Shares offered by each Selling Shareholder, see *"**Capital Structure**"* on page 65
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations and as disclosed in "***Our Promoters, Promoter Group and Group Companies***" on page 163
Promoters	The promoters of our Company, namely Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana
Promoter Selling Shareholders	Together, Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana
Registered and Corporate Office	The registered and corporate office of our Company, situated at 23/7 Mathura Road, Ballabgarh, Faridabad 121 004, Haryana, India
Restated Consolidated Financial Statements	The restated consolidated financial statements of our Company comprising the restated consolidated statements of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the restated consolidated statements of profit and loss (including other comprehensive income) for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the restated consolidated cash flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 , together with the schedules, notes and annexures thereto prepared in accordance with Ind AS notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended read with the SEBI ICDR Regulations as amended from time to time in pursuance of provisions of SEBI Act, 1992. The restated consolidated financial information as at and for each of the years ended March 31, 2016, 2015 and 2014 are referred to as "the Proforma Ind AS Restated Consolidated Financial Information" as per the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.
Restated Financial Statements	Together, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements
Restated Standalone Financial Statements	The restated standalone financial statements of our Company comprising the restated standalone statements of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the restated standalone statements of profit and loss (including other comprehensive income) for the years ended March 31, 2018, 2017, 2016, 2015 and 2014, and the restated standalone cash flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 , together with the schedules, notes and annexures thereto prepared in accordance with Ind AS notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended read with the SEBI ICDR Regulations as amended from time to time in pursuance of provisions of the SEBI Act. The restated standalone financial information as at and for each of the years ended March 31, 2016, 2015 and 2014 are referred to as "the Proforma Ind AS Restated Consolidated Financial Information" as per the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.
Selling Shareholders	Together, the Promoter Selling Shareholders and the Other Selling Shareholders
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act 2013, as described in the section "***Our Management***" on page 150.

Offer Related Terms

Term	Description
Acknowledgment Slip	The slip or document issued by the Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotted/Allotment/Allot	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Escrow Account	Account opened with Anchor Escrow Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations

Term	Description
Anchor Investor Allocation Price	The price at which allocation is done to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Allocation Price shall be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Category, which may be allocated by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, to Anchor Investors, on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation price
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by a Bidder (other than Anchor Investors) to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor)
ASBA Form	An application form, whether physical or electronic, used by Bidders bidding through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer /Anchor Escrow Bank(s)	The bank(s) which is/are clearing members and are registered with the SEBI as an escrow bank, with whom the Anchor Escrow Accounts in relation to the Offer for Bids by Anchor Investors will be opened, in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in "***Offer Procedure – Part B – General Information Document for Investing in Public Issues – Allotment Procedure and Basis of Allotment***" on page 387
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder (other than an Anchor Investor), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe for or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form
Bid Amount	The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus, including ASBA Form
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids for the Offer, being [●], which shall be published in [●] (a widely circulated English national daily newspaper) and [●] (a (a widely circulated Hindi national daily newspaper**,** Hindi also being the regional language of the place where our Registered and Corporate Office is located**)** and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations. Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being [●], which shall be published in [●] (a widely circulated English national daily newspaper) and [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of the place where our Registered and Corporate Office is located)
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, and includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for

Term	Description
	Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process as described in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/BRLMs	Edelweiss and IIFL
Broker Centres	Broker centres of the Registered Brokers, where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof
Client ID	Client identification number of the Bidder's beneficiary account
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12 (1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	The Offer Price, finalised by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Bidders including the Bidders' address, names of the Bidders' father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time
Designated Date	The date on which the funds from the Escrow Accounts are transferred to the Public Offer Account or the Refund Account(s), as appropriate, and instructions are given to the SCSBs to unblock the ASBA Accounts to transfer the relevant amounts blocked by the SCSBs from the ASBA Accounts, to the Public Offer Account and/or unblock the ASBA Accounts, as applicable, in terms of the Red Herring Prospectus, and the aforesaid instructions shall be issued only after finalisation of Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorised to collect Bid cum Application Forms from the Bidders (other than Anchor Investors), in relation to the Offer
Designated RTA Locations	Such centres of the CRTAs where Bidders (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated August 24, 2018 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Edelweiss	Edelweiss Financial Services Limited
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares
Escrow Agreement	Agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Anchor Escrow Bank and Refund Bank for collection of the Bid Amounts and where applicable remitting refunds, if any, to the Anchor Investors, on the terms and conditions thereof
First/Sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bidders, whose name appears as the first holder of the beneficiary account held in joint names

Term	Description
Floor Price	The lower end of the Price Band, and any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Fresh Issue	Fresh issue of [●] Equity Shares aggregating up to ₹ 980.00 million to be issued by our Company as part of the Offer, in terms of the Red Herring Prospectus and Prospectus
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by SEBI and included in "***Offer Procedure***" on page 350
IIFL	IIFL Holdings Limited
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
Minimum Promoters' Contribution	Aggregate of 20% of fully diluted post-Offer equity share capital of our Company held by our Promoters, provided towards, minimum promoters' contribution and locked-in for a period of three years from the date of Allotment, pursuant to Regulation 36(a) of SEBI ICDR Regulations
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Proceeds	Proceeds of the Offer that will be available to our Company, i.e., gross proceeds of the Fresh Issue, less Offer Expenses to the extent applicable to the Fresh Issue
Non-Institutional Category	The portion of the Offer, being not less than 15% of the Offer or [●] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price
Non-Institutional Investors/NIIs	All Bidders, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors , who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Offer	Public issue of up to [●] Equity Shares of face value ₹ 5 each for cash at a price of ₹ [●] each comprising the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated August 24, 2018 entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer of up to 3,939,000 Equity Shares to be offered for sale/transfer by the Selling Shareholders pursuant to the Offer in terms of the Red Herring Prospectus and the Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs in terms of the Red Herring Prospectus on the Pricing Date.
Price Band	Price band of the Floor Price of ₹ [●] and a cap price of ₹ [●], including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, and advertised in [●] (a widely circulated English national daily newspaper) and [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of the place where our Registered and Corporate Office is located) at least five Working Days prior to the Bid/Offer Opening Date
Pricing Date	The date on which our Company and the Promoter Selling Shareholders in consultation with the BRLMs, shall finalize the Offer Price
Prospectus	The Prospectus to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Sections 26 and 32 of the Companies Act 2013 and the SEBI ICDR Regulations, containing the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The account(s) to be opened with the Banker(s) to the Offer under Section 40(3) of the Companies Act 2013 to receive monies from the Anchor Escrow Account(s) and the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer, being not more than 50% of the Offer or [●]% Equity Shares to be allocated to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be Allotted and which shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto

Term	Description
Refund Account(s)	Account(s) opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank(s)	The Bankers to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 14, 2012, issued by SEBI
Registrar Agreement	The agreement dated August 20, 2018, entered into among our Company, Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer	Link Intime India Private Limited
Retail Category	The portion of the Offer, being not less than 35% of the Offer or [●] Equity Shares, available for allocation to Retail Individual Investors, which shall not be less than the minimum Bid lot, subject to availability in the Retail Category
Retail Individual Investors/ RIIs	Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Offer is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB category and Non-Institutional Investors bidding in the Non-Institutional category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self-Certified Syndicate Banks or SCSBs	The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agreement	Agreement to be entered into among the Selling Shareholders, our Company and a share escrow agent in connection with the transfer of the respective portion of Equity Shares being offered by each Selling Shareholder in the Offer for Sale portion of the Offer and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which will be included in the Bid cum Application Form
Stock Exchanges	BSE and NSE
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being [●]
Syndicate or members of the Syndicate	Together, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Companies	A non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹ 5,000 million as per its last audited financial statements
Underwriters	[●]
Underwriting Agreement	The agreement among our Company, the Selling Shareholders and the Underwriters, to be entered into on or after the Pricing Date
Working Day(s)	Any day, other than the second and fourth Saturday of each calendar month, Sundays and public holidays, on which commercial banks in India are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Industrial, Conventional and General Terms and Abbreviations

Term	Description
Adjusted Revenue	Revenue from operations less excise duty. For details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 299
AGM	Annual general meeting
AIF(s)	Alternative Investment Funds
AS 18	Accounting Standard 18 issued by the Institute of Chartered Accountants of India
Banking Regulation Act	The Banking Regulation Act, 1949
Bn/bn	Billion

Term	Description
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate which is computed by dividing the value of an investment at the year-end by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result : (End Value/Start Value)^(1/Periods) -1
Category I FPIs	FPIs registered as category I FPIs under the SEBI FPI Regulations
Category II FPIs	FPIs registered as category II FPIs under the SEBI FPI Regulations
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
Companies Act	Together, the Companies Act 1956 and Companies Act 2013
Companies Act 1956	The Companies Act 1956, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 2013	The Companies Act 2013, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The extant consolidated FDI Policy, issued by the DIPP, and any modifications thereto or substitutions thereof, issued from time to time (currently, the Consolidated FDI Policy effective from August 28, 2017)
Copyright Act	The Copyright Act, 1957
CPC	Central police canteens
CSD	Canteen Stores Department
CSR	Corporate social responsibility
CSR Policy	The Corporate social responsibility policy as specified in Schedule VII of Companies Act 2013
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DGFT	Director General of Foreign Trade
DIN	Director Identification Number
DP ID	Depository Participant’s identity number
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization, which is calculated by adding finance cost and depreciation and amortization expense to Profit before exceptional items less other income
EGM	Extraordinary general meeting
EPF Act	The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	The Employees’ State Insurance Act, 1948
Euro/ EUR	Euro, the official single currency of the participating member states of the European Economic and Monetary Union of the Treaty establishing the European Community
F&S Report	“*2 Wheeler Helmet and Select Accessories Market in India*” dated August 2018, prepared by Frost & Sullivan
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
Financial Year/Fiscal/ Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FTDRA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
IEC	Importer-exporter code
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IMF	International Monetary Fund
Income Tax Act	The Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies Act 2013 and Companies (Indian Accounting Standard) Rules, 2015, as amended
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India

Term	Description
IPO	Initial Public Offer
IT Act	The Information Technology Act, 2000
MAT	Minimum alternate tax
MCA	The Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of funds based Lending rate
MICR	Magnetic Ink Character Recognition
Mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act 2013 that have been notified by the MCA and are currently in effect
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRE accounts	Non-Resident External accounts
NRI	Non-Resident Indian A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRO accounts	Non-Resident Ordinary accounts
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
OEM	Original equipment manufacturer
ODI	Overseas Direct Investment
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
PAT Margin	PAT divided by total revenue
Patents Act	The Patents Act, 1970
Payment of Bonus Act	The Payment of Bonus Act, 1965
Payment of Gratuity Act	The Payment of Gratuity Act, 1972
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC or Registrar of Companies	The Registrar of Companies, National Capital Territory of Delhi and Haryana
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	The Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
STT	Securities Transaction Tax
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	The Trademarks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	United States Securities Act of 1933
U.S./ US/ USA/ United States	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "***Main Provisions of the Articles of Association***", "***Statement of Tax Benefits***", "***Industry Overview***", "***Key Regulations and Policies in India***", "***Financial Statements***", "***Outstanding Litigation and Material Developments***" and "***Part B***" of "***Offer Procedure***", will have the meaning ascribed to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to: (i) "India" are to the Republic of India; and (ii) "USA", "U.S.", "United States" and "US" are to the United States of America.

Financial Data

Unless indicated otherwise or the context requires otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Restated Financial Statements as of and for the Fiscals ended March 31, 2018, 2017, 2016, 2015 and 2014 and the respective notes, schedules and annexures thereto, prepared in accordance with the Indian Accounting Standards (the "**Ind AS**") notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the SEBI ICDR Regulations and the guidance notes issued by ICAI and included elsewhere in this Draft Red Herring Prospectus.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular Fiscal are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounded off adjustments. All decimals have been rounded off to two decimal points. Therefore, in certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus may be rounded-off to such number of decimal points as provided in such respective sources.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, the Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 14, 129 and 299, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been derived from certain industry publications and sources, such as "*2 Wheeler Helmet and Select Accessories Market in India*" dated August 2018, prepared by Frost & Sullivan ("**F&S**" and such report, the "**F&S Report**"). Industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs, or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" on page 14.

We have commissioned the F&S Report, for the purpose of confirming our understanding of the industry in connection with the Offer. In this regard, F&S, has issued the following disclaimer:

"*The market research method for this study has been undertaken through detailed primary and secondary research, which involves discussing the status of the industry with leading industry participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. The Expert Opinion Consensus Methodology has been used for the report. Quantitative market information is based primarily on such interviews and desk-based secondary research; therefore, making it subject to fluctuation.*

Frost & Sullivan has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. This report will not be included in the prospectus. Only extracts will be used.

This Frost & Sullivan report is prepared for our client's internal use, submission, and sharing with the relevant parties as well as for inclusion in the prospectus in full or in parts as may be decided by the company. This report cannot be used by any party other than the company without prior permission of Frost & Sullivan"

In accordance with the SEBI ICDR Regulations, the section titled "***Basis for Offer Price***" on page 95 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor our Directors, our Promoters, Promoter Group, the Selling Shareholder nor the BRLMs have independently verified such information.

Currency and Units of Presentation

All references to "**Rupees**" or "**₹**" or "**Rs.**" are to Indian Rupees, the official currency of the Republic of India. All references to "**US$**", "**U.S. Dollar**", "**USD**" or "**U.S. Dollars**" are to United States Dollars, the official currency of the United States.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents '10 lakhs' or 1,000,000. Further, one billion represents '1,000 million' or '1,000,000,000'. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of U.S. Dollars, GBP and Euro and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates of certain currencies used in this Draft Red Herring Prospectus into Indian Rupees are provided below.

(Amount in ₹)

Currency^	March 28, 2018*	March 31, 2017	March 31, 2016	March 31, 2015	March 28, 2014#
1 USD	65.04	64.84	66.33	62.59	60.10
1 Euro	80.62	69.25	75.10	67.51	82.58

Currency^	March 28, 2018*	March 31, 2017	March 31, 2016	March 31, 2015	March 28, 2014#
1 GBP	92.28	80.88	95.09	92.46	99.85

^*Source: RBI Reference Rate*

**Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and public holidays, respectively.*

#*Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, Sunday and Saturday, respectively.*

For further details of other conversion rates used in this Draft Red Herring Prospectus, please refer to the RBI reference rates on https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements include statements which can generally be identified by words or phrases such as "***aim***", "***anticipate***", "***believe***", "***expect***", "***estimate***", "***intend***", "***likely to***", "***objective***", "***plan***", "***project***", "***propose***", "***will continue***", "***seek to***", "***will pursue***" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans, prospects or goals are also forward looking statements.

These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our business and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that would cause actual results to differ materially include, including, but not limited to:

- Our inability to maintain and/ or enhance the 'Studds' and 'SMK' brands.
- Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner.
- Our inability to procure adequate amounts of raw material at competitive prices.
- Disruption in operations of the raw material suppliers and disruption in supply from current suppliers.
- Decrease in the demand of our products in the African, Asian, European and Latin American countries.
- Our inability to protect or use our intellectual property rights.
- Our inability to attract and retain skilled personnel.

For a further discussion of factors that could cause our actual results to differ, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 14, 129 and 299, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially be different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as the statement based on them could prove to be inaccurate.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions on which these forward looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, nor the Selling Shareholders, nor the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, the Selling Shareholders and the BRLMs will ensure that investors in India are informed of material developments until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer. We cannot assure prospective investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned from placing undue reliance on such forward-looking statements as a guarantee of future performance.

SECTION II - RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we currently operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "**Our Business**", "**Industry Overview**" and "**Management's Discussions and Analysis of Financial Condition and Results of Operations**" on pages 129, 100 and 299, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares. Unless otherwise stated, the financial information used in this section is derived from our Restated Consolidated Financial Statements.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see "**Forward-Looking Statements**" on page 13.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Internal Risk Factors

Risks Relating to our Business

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

We believe that the brand image we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing the '*Studds*' and '*SMK*' brands, are critical for our customer base. Maintaining and enhancing our brand may require us to make substantial investments in areas such as research and development, outlet operations, advertising, marketing and employee training, and the actual results of incurring such expenditure may differ from those anticipated. In particular, as we expand into new geographic markets, consumers in these markets may not accept our brands. We anticipate that as our business expands into new markets and as the market becomes competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. Our brand may also be adversely affected if our public image or reputation is tarnished by negative publicity. Maintaining and enhancing our brands will depend largely on our ability to maintain our position as the largest manufacturer in India in terms of manufacturing capacity and market share, to anticipate, gauge and respond in a timely manner to changing fashion trends and consumer demands and preferences, and to continue to provide high quality products and services, which we may not do successfully. We also cannot assure you that we will be able to continue selling any of our products at a premium price and that our products will not be sold at a discounted price, whether online or at retail stores. In the event that our products are sold with deep discounts by e-sellers or resellers, without our consent, such sale may harm our brand equity. If we are unable to maintain or enhance our brand image, our results of operations may suffer and may materially affect our business.

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

One of the factors on which our results of operations are dependent is our ability to anticipate, gauge and respond to changes in customer preferences and design new products or modify our existing products in line with changes in fashion trends as well as customer demands and preferences.

If we or our external designers are unable to anticipate, gauge and respond to changing customer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or launching new products on a timely basis, we may fail to attract customers, our inventory may become obsolete and we may be subject to pricing pressure to sell our inventory at a discount. A decline in demand for our products or a misjudgment on our part could lead to lower sales, excess inventories and higher markdowns, each of which may have an adverse effect on our results of operations and financial condition.

Additionally, we incur expenses in the design and development of our products and we cannot assure you that our current portfolio of designs and any products we launch, will be well received by our customers, or that we will be able to recover the expenditure we incurred in designing and developing such products. If the products that we launch are not as successful as we anticipate, our business, results of operations and prospects may be adversely affected.

Further, there can be no assurance that we will be able to continue our arrangement with our present internal and external designers. Our designers may not comply with any or all the conditions specified by us in connection with the designs. They may act in a manner that could adversely affect our reputation, brand, customer relationships or business interests. In addition, our Company may not be able to identify suitable internal or external designers in the future with whom it can successfully partner for such arrangements. Our Company may even face disputes with such designers in the future. Any of the foregoing developments could adversely affect our Company's business prospects and financial conditions.

Additionally, there are very few reputed two-wheeler helmet designers globally. While we seek to maintain and develop a favourable relation with these designers, we cannot assure you that we will be able to continue doing so in the future and that may have an impact on our business prospects and financial conditions.

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

The primary raw materials used for the manufacturing of our products are Acrylonitrile Butadiene Styrene ("**ABS**"), polycarbonate, expandable polystyrene liners, cloth and paints. The raw materials used in the manufacture of our products accounted for 71.40%, 69.97% and 71.10% of our operational expenses and 46.64%, 46.21% and 46.58% of our Adjusted Revenue in Fiscals 2018, 2017 and 2016, respectively.

We generally do not enter into agreements with suppliers of our raw materials that we purchase and typically transact business on an order-by-order basis and also procure our raw materials on the spot. There can be no assurance that there will not be a significant disruption in the supply of raw materials or finished products from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of materials of comparable quality at an acceptable price, or at all. Identifying a suitable supplier is an involved process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labor and other ethical practices.

Additionally, we cannot assure you that the raw material suppliers will continue to be associated with us on reasonable terms, or at all. Since such suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such raw material suppliers, which may cause them to cater to our competitors alongside, or even instead of us.

The amount of raw materials procured and the price at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers.

Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins and adversely affect our results of operations. Further, an increased cost in the supply of raw material arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term.

4. ***We are dependent on certain raw material suppliers and any disruption in their operations may have an adverse effect on our business, results of operations and financial condition.***

The operations of the raw material suppliers are subject to various risks, including some which are beyond their control, such as the breakdown and failure of equipment, industrial accidents, employee unrest, severe weather conditions and natural disasters. Any interruptions to the manufacturing operations of the suppliers due to strikes, lock outs, work stoppages or other forms of labour unrest, break down or failure of equipment, floods and other natural disaster as well as accidents could affect our ability to receive an adequate supply of quality products at reasonable prices. Further, any non-compliance by the suppliers with the applicable laws, including environmental laws, which may result in a shutdown of their facilities and may adversely affect our operations. We cannot assure that the suppliers will always be able to arrange for alternate manufacturing capacity, or that we will be able to find alternate sources of our raw materials, at prices acceptable to us, or at all, or that we will be able to pass on any increase in cost to our customers. Any inability on our part to arrange for alternate sources for raw materials, on commercially acceptable terms, may have an adverse effect on our business, results of operations and financial condition.

In Fiscal 2018, while we sourced raw materials from 177 suppliers located across India and eight suppliers from outside India, we do depend on a number of suppliers for a significant amount of raw materials. For example, our top five suppliers accounted for 48.13%, 46.22% and 47.04% of our expenses towards the purchase of raw materials for Fiscals 2018, 2017 and 2016, respectively. In addition, our top raw material supplier alone accounted for 25.24%, 22.28% and 24.27% of our expenses towards the purchase of raw materials in Fiscals 2018, 2017 and 2016, respectively. Thus, if we experience significant increased demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all. Additionally, there are exclusive suppliers of anti-fog technology products. Any disruption in our arrangements with them could lead to a disruption in our manufacturing process and could hence, have a negative impact on our results of operations.

5. ***Our business and financial performance is also dependent on export sales of our products to the USA, African, Asian, European and Latin American countries, and any decrease in the demand for our products in these markets or an inability to increase or effectively manage our sales to such markets may adversely affect our business, financial condition and results of operations. Further, increase in the anti-dumping duties in such countries or the entry into free trade agreements with such countries may materially adversely affect our business, financial condition and results of operations.***

Our business and financial performance is also dependent on export sales of our products. In Fiscals 2018, 2017 and 2016, our export sales represented 7.97%, 8.79% and 7.21%, respectively, of our Adjusted Revenue in such periods. Our business is therefore particularly susceptible to any fluctuations in the market in the USA, African, Asian, European and Latin American countries. These markets may be affected by a number of factors outside our control, including changes in demand and supply for products we develop, or comparable to those that we develop, uncertain political and economic environments, government instability and changing regulatory framework. In addition, we could be subject to unanticipated taxes or non-availability of competent dealers and agents for distribution of our products or class action suits or disputes with such dealers and agents or retailers to which we supply our products. In order to manage our operations in the markets where we export our products, we are also required to overcome cultural and language barriers and assimilate different business practices. Also, while we endeavor to meet the consumer requirements and preferences, we may not always be successful. An inability to react quickly to changing business and market conditions or to comply with industry standards and procedures could impact the sale of our products in these markets.

The destination countries impose varying duties on our products. There can be no assurance that the duties imposed by such destination countries will not increase. Any change or increase in such duties may adversely affect our business, financial condition and results of operations. Export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements may place us at a competitive disadvantage compared to manufacturers in other countries and may adversely affect our business, financial condition and results of operations. For example, countries such as Pakistan and Bangladesh have executed certain free trade agreements with the European Union under which they are entitled to certain benefits compared to the arrangements that India has with the European Union. In addition to duties imposed, adverse changes in import policies in countries to which we export our products may have a particularly significant adverse impact on our business, financial condition and results of operations.

Additionally, we have exposure to foreign exchange related risks since a portion of our revenue earnings are in foreign currency. Any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards.

6. Our inability to protect or use our intellectual property rights may adversely affect our business.

We have obtained registrations for certain trademarks and designs in various jurisdictions, including our key trademarks, '*Studds*' and '*SMK*' under various classes of the Trademarks Act and under the Designs Act. For details, see "***Government and Other Approvals***" on page 326. We believe that our trademarks have significant brand recognition, therefore, our trademarks are significant to our business and operations.

The use of our trademarks or designs by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. Further, we believe that our trademarks and designs are important assets to our business. We have applied for, but not yet obtained registration with respect to certain trademarks, for example, "Studds" logo under class 9 of the Intellectual Property Act, 2009 of Sri Lanka and the "SMK" logo under class 9 of the Lanham (Trademark) Act, 1946 of the United States. We may not be able to prevent infringement of our trademarks and designs and a passing off action may not provide sufficient protection until such time that this registration is granted. For further details, see "***Government and Other Approvals***" on page 326.

If our trademarks or other intellectual property are improperly used, the value and reputation of our brands could be harmed. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Further, the laws governing intellectual property rights in India are evolving and subject to regular amendments, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

We are also exposed to the risk that other entities may pass off their products by imitating our brand name, packaging and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under the Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Further, the laws governing intellectual property rights in India is evolving and subject to regular amendments, and could involve substantial risks to us, notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operation and financial condition.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings, besides having a negative impact on the image of our brand. Further, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

7. We have made certain issuances and allotments of our equity shares which are not in compliance with section 67(3) of the Companies Act 1956.

We have, on December 1, 1995 and March 20, 1996, issued and allotted equity shares to more than 49 persons (together, the "**Stated Allotments**"). For further information, see "***Capital Structure – Notes to Capital Structure-Share Capital History - History of equity share capital of our Company***" on page 65. Both the allotments were made prior to the enactment of the Companies Amendment Act, 2000 (which introduced the proviso to Section 67 (3) of the Companies Act 1956, which deemed any allotment to persons in excess of 49 to be deemed to be a public offering). The Stated Allotments were made prior to the aforementioned amendment to the Companies Act 1956 and there is ambiguity on whether the Stated Allotments would fall within the exemptions of Section 67(3) of the Companies Act 1956.

Pursuant to a press release dated November 30, 2015 and circulars no. CIR/CFD/DIL3/18/2015 and CFD/DIL3/CIR/P/2016/53 dated December 31, 2015 and May 3, 2016, respectively (together, the "**SEBI Circular**"), SEBI has provided that companies involved in issuance of securities to more than 49 persons but up to 200 persons in a Fiscal may avoid penal action subject to fulfilment of certain conditions. These conditions include the provision of an option to the current holders of the equity shares allotted to surrender such equity shares at an exit price not less than the amount of subscription money paid along with 15.00% interest per annum or such higher return as promised to investors.

While our Company had not intended to make a public offer, recognizing the intent of SEBI through the SEBI Circular, our Board, in its meeting held on April 25, 2018 voluntarily authorized our Promoters, Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana to provide an exit offer to those shareholders ("**Eligible Shareholders**" and such offer, the "**Exit Offer**") who held, as on a specified record date (a) equity shares allotted by the Company through the Stated Allotments, and/ or (b) equity shares allotted on account of any corporate action on the Stated Shares (including through bonus issuances on the Stated Shares), acquired either through direct allotment or secondary acquisition or transmission. Subsequently, an invitation was issued through letters dated April 30, 2018 to all the relevant Eligible Shareholders (excluding our Promoters, being the purchasers, and their respective spouses, who had expressed their intent to not participate in the Exit Offer) to offer all Equity Shares held by them on the record date for sale to our Promoters at a purchase price calculated in accordance with the SEBI Circular.

We have also e-filed an application on July 9, 2018 with the RoC, as regards the Stated Allotments, seeking to compound any breach of the Companies Act 1956 on the grounds that the non-compliances with the Companies Act 1956 were unintentional and inadvertent, requesting the RoC to compound the offences under Section 441 of the Companies Act 2013. Further, our Company has voluntarily filed a settlement application with SEBI under Regulation 3(1) of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014. There can be no assurance that the RoC will admit the application and compound the past violations. Further, there can be no assurance that the Ministry of Corporate Affairs, the RoC, National Company Law Tribunal, Chandigarh, SEBI or any other regulatory authority or court, or any former or current shareholder of our Company will not take any action or initiate proceedings against our Company, Promoters, Directors and other officers in respect of the above non-compliances or the Exit Offer, including restraining us or them from accessing the capital markets. Any such proceeding or action or any adverse order may result in fines, penalties, payment of additional amounts and potentially criminal liability and adversely affect our Company's ability to raise funds, its reputation, financial condition, results of operations and the trading prices of the Equity Shares.

8. ***Our operations are dependent on our ability to attract and retain skilled personnel and any inability on our part to do so, could adversely affect our business, results of operations and financial condition.***

Our business is manpower intensive and our continued growth depends in part on our ability to recruit and retain suitable staff. Our success depends on our ability to attract, hire, train and retain skilled personnel particularly for our painting department and for our stitching department. As of June 30, 2018, we had a workforce of 1,757 personnel for our operations. For details, see "***Our Business – Human Resources***" on page 140.

We cannot assure you that we will be able to retain our personnel or find and hire personnel with the necessary experience or expertise. We may need to increase compensation and other benefits in order to attract and retain personnel in the future and that may affect our costs and profitability. In the event that we are unable to retain and hire such personnel or are unable to find suitable replacements in a timely manner, our business, financial condition and results of operations may be adversely affected.

9. ***Non-compliance with and changes in, safety, health, labour and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.***

Our operations including manufacturing activities undertaken by us pursuant to arrangements entered into with our employees are subject to extensive laws and government regulations, including in relation to safety, health and environmental protection. See "***Key Regulations and Policies in India***" on page 142. There is a risk that we or our employees may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wages and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits and maintenance of regulatory and statutory records and making periodic payments.

Further, our operations may generate significant amounts of pollutants and waste, some of which may be hazardous. We are accordingly subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. Non-compliance with these laws and regulations, which among other things, limit or prohibit emissions or spills of toxic substances produced in connection with our operations, could expose us to civil penalties, criminal sanctions and revocation of key business licenses. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management.

As a consequence of unanticipated regulatory, statutory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations and standards will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. It could also lead to temporary shut-down of our plants. Additionally, our potential exposure could include fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict and may impact our business and results of operations.

10. In the event that we fail to obtain, maintain or renew our statutory or regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.

We are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. A majority of these approvals are granted for a limited duration and require renewal. While we have undertaken actions to comply with relevant regulations and currently there are no pending notices against us, we may, in future, be held liable for any regulatory lapses and non-compliances and incur increased costs or be subject to penalties. For instance, we have applied for an NOC for ground water extraction which is currently pending. For details, see "***Government and Other Approvals***" on page 326. If there is any failure by us to comply with the terms of the laws and regulations governing our operations and consents and approvals granted to us, or apply for and renew such approvals in a timely manner, or at all, we may be involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

Further, at present, our two-wheeler helmets are required to meet the BIS standard. However, it has not been made mandatory in all states of India to use two-wheeler helmets that meet the BIS standard. Further, the Ministry of Road Transport and Highways has published a draft notification dated August 2, 2018 ("**Draft Notification**") which proposes to make it mandatory for all two-wheeler helmets to conform to IS 4151:2015 standard. The Draft Notification has not been notified and the Ministry of Road Transport and Highways has invited all relevant stakeholders to send their feedback on the Draft Notification to the Ministry of Road Transport and Highways. In the event that the Draft Notification is notified by the GoI, it may have an adverse impact on us as we cannot assure you that at the time of notification, all our two-wheeler helmets will be in compliance with IS 4151:2015 standard, which may result in loss of market share. We also cannot stipulate the time period which may be required by us to develop products which conform to IS 4151:2015 standard.

Additionally, in the future, in the event that the BIS standard is made more stringent, we may suffer a loss in respect of all the two-wheeler helmets that we have already manufactured. We also cannot assure you that we will be able to meet the stringent standards that may be prescribed under the law. Further, in the event that pursuant to a regulatory or statutory requirement, there is a fall in the purchase of two-wheelers or there is a ban on the use of two-wheelers, it will have a material impact on our business, results of operations and financial condition.

We cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we fail to obtain or retain any of these approvals or licenses or renewals thereof, in a timely manner or at all, our business may be adversely affected.

11. We may face several risks associated with the setting up of our proposed new manufacturing facilities,

which could hamper our growth, cash flows and business and financial condition.

We intend to utilize a portion of the Net Proceeds of the Fresh Issue for part-financing the Manufacturing Facility III, and Manufacturing Facility IV. For additional details in respect of the foregoing, see "***Objects of the Offer***" on page 82. We may need to allocate a significant part of our cash flows from our business operations for capital expenditures for developing the infrastructure for these new manufacturing facilities. In establishing these new manufacturing facilities, we may encounter cost overruns or delays for various reasons, including, but not limited to, delays in construction, delays in receiving governmental, statutory and other regulatory approvals and permits and delays in, or non-delivery of equipment by suppliers. If either of the manufacturing facilities that we propose to set up is not completed in a timely manner, or at all, our business, prospects and results of operations may be adversely affected. Further, our budgeted resources may prove insufficient to meet our requirements due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favourable to us or at all. We cannot assure that we will be able to set up the aforesaid manufacturing facilities in accordance with the proposed schedule of implementation. Any delay in setting up such proposed facilities in a timely manner, or at all, could have an adverse impact on our growth, prospects and results of operations.

12. In the past, we have not been in compliance with certain provisions of the Companies Act 2013.

Our Company, Mr. Madhu Bhushan Khurana, Mr. Sidhartha Bhushan Khurana and Ms. Kanika Bhutani have voluntarily filed a compounding application before the National Company Law Tribunal/ Regional Director, Chandigarh, Northern Region dated August 14, 2018 under Section 441 of the Companies Act 2013. Pursuant to Section 124(6) of the Companies Act 2013 and the rules framed thereunder, our Company was required to transfer those equity shares to a demat account in respect of which the dividends have remained unclaimed or unpaid for a period of seven consecutive years. Our Company has failed to comply with the afore-mentioned requirement and has thus, filed the compounding application.

There can be no assurance that the RoC will admit the application and compound the past violations. Further, there can be no assurance that the Ministry of Corporate Affairs, the RoC, National Company Law Tribunal, Chandigarh, SEBI or any other regulatory authority or court, or any former or current shareholder of our Company will not take any action or initiate proceedings against our Company, Promoters, Directors and other officers in respect of the above non-compliances or the Exit Offer, including restraining us or them from accessing the capital markets. Any such proceeding or action or any adverse order may result in fines, penalties, payment of additional amounts and potentially criminal liability and adversely affect our Company's ability to raise funds, its reputation, financial condition, results of operations and the trading prices of the Equity Shares.

Further, in the past, we have also failed to file the RoC forms, within the time prescribed under the applicable laws, in respect of charge creation on our vehicles in relation to certain borrowing arrangements that we had entered into and resolutions passed by our Board approving: (i) the availing of loans by our Company from Mr. Madhu Bhushan Khurana, our chairman and Managing Director; (ii) the availing of an overdraft facility; and (iii) the availing of a letter of credit facility. While we have filed the requisite RoC forms for the condonation of delay in the filing of such forms, we cannot assure you that such non-compliances will not happen in the future. We also cannot assure you that pursuant to the aforementioned form filings, penalties will not be imposed upon us.

13. Our success also depends to an extent on our research and development capabilities and failure to derive the desired benefits from our product research and development efforts may hurt our competitiveness and profitability.

Our success is dependent on our ability to develop new products and continue to work on and improve production capabilities. We make investments in product research and development, in particular, to improve the quality of our products and expand our product offerings, which are factors crucial for our future growth and prospects.

We cannot assure you that our future product research and development initiatives will be successful or be completed within the anticipated time frame or budget, or that our newly developed or improvised products will achieve wide market acceptance from our customers. Even if such products can be commercially successful, there is no guarantee that they will be accepted by our customers and achieve anticipated sales target or in a profitable manner. Additionally, there can be no guarantee that the time and effort that we spend in research and development would be beneficial to the Company. There can be no assurance that costs incurred by us towards research and development may in the future actually reduce the costs incurred by us towards production of these products.

In addition, we cannot assure you that our existing or potential competitors will not develop products which are similar or superior to our products. It is often difficult to project the time frame for developing new products and the duration of market window for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such product. If we continue to fail in our product launching efforts, our business, prospects, financial condition and results of operations may be materially and adversely affected.

14. ***We depend on certain customers for a significant portion of our revenues. The loss of a major customer or a significant reduction and sales of, or demand for our products from, our major customers may adversely affect our business, financial condition.***

A majority of our income from operations is from sales to OEMs, Central Police Canteens and the Canteen Stores Department. The revenue received from our arrangement/ partnership with the OEMs, Central Police Canteens and the Canteen Stores Department in Fiscals 2018, 2017 and 2016 is ₹ 734.39 million, ₹ 586.55 million and ₹ 573.16 million, respectively, which were 22.41%, 21.54% and 22.32% of our Adjusted Revenue on a standalone basis, respectively.

We cannot assure that we can maintain the historical levels of orders from these customers or that we will be able to find new customers in case we lose any of them. Further, major events affecting our customers, such as adverse market conditions, regulatory changes, adverse cash flows, change of management, mergers and acquisitions by customers could adversely affect our business. If any of our customers become bankrupt or insolvent, we may lose some or all of our business from that customer and our receivables from that customer may have to be written off, thus impacting our cash flows and financial condition.

Our strong relationship with certain of our customers is a result of our timely and efficient completion of our work. However, in the event that we are unable to complete our work on time or the quality of our products deteriorates, then our relationship will get strained and we may not get further orders from our existing customers which could adversely affect our business.

15. ***India has stringent labour legislations that protect the interests of workers, and if our employees unionize, we may be subject to industrial unrest, slowdowns and increased wage costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected. Further, if we are unable to negotiate with employees, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits.

16. ***Failure or delays in obtaining third party certifications and accreditations may cause delays in our delivery schedules and disruptions in our business which may adversely affect our business, financial condition and results of operations.***

We are required to obtain several third party certifications and accreditations such as BIS certifications in India, ECE certifications in Europe and SLSI certification in Sri Lanka. Depending on the product and requirements of our customers, we need to obtain specific certifications from a particular agency. Such third parties may refuse to allow us to use the certificate if we fail to resolve any of the points raised by them. As a result, we may experience delays and disruptions in our business which may adversely affect our business, financial condition and results of operations. We cannot assure you that we will be able to meet the eligibility criteria for obtaining the required certifications in the various jurisdictions in which we operate.

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

Our products may contain quality issues or undetected errors or manufacturing or design defects, especially when first introduced or when new products are developed, resulting from the design or manufacture of the product or raw materials used in the product. In Fiscals 2018, 2017 and 2016, 1,447, 1,015 and 1,209 two-wheeler helmets were returned to us for having quality issues, respectively, which formed negligible percentages of the total two-wheeler helmets manufactured during those Fiscals. We have implemented quality control processes and regularly conduct inspections of raw materials sourced from suppliers and finished products manufactured by us on the basis of our internal quality standards. However, we cannot assure you that we will always adhere to such standards and that our quality control processes will not fail or the quality tests and inspections conducted by us are accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, and human error or otherwise, may damage our products and result in deficient products. We have, from time to time, given credit notes in exchange for the products sold to our customers due to quality defects, or otherwise, in accordance with our exchange and returns policy. In the event that the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products, we may be required to recall or exchange such products at additional cost to us and our reputation may be impacted, which in turn may adversely affect our business, results of operations and financial condition. Further, it could also lead to the cancellation of our future and existing orders.

We also face the risk of legal proceedings and product liability claims being brought against us by various entities including customers, large format stores and online retailers, for defective products sold. Product liability claims outside India may substantially affect our financial conditions. Further, we are proposing to explore the market in the USA, under our own brand name. This could expose us to product liability claims.

We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

18. Our venture into the field of manufacturing and selling bicycle helmets under our own brands may not be a successful line of business

We are foraying into the field of manufacturing and selling bicycle helmets under the ‘Studds’ brand. We expect to commence manufacturing operations for our bicycle helmets by March 2019.

We are currently in the process of setting up a manufacturing facility for the manufacture of bicycle helmets which will be partly financed from the Net Proceeds. As far as bicycle helmets are concerned, India is still an emerging market. While the bicycle accessories market in India is expected to grow at a CAGR of 3.26% (*Source: F&S Report*), there can be no assurance that we will be able to successfully sell all the bicycle helmets that we manufacture.

The Indian bicycle helmets market is dominated by unorganized players and importers of products from China. Bicycle helmets are also available under various international brands and a large chunk of the sale takes place online. While we will reach out to our already existing dealers for the sale of the bicycle helmets that we manufacture, we cannot assure you that we will receive a favorable response from them or any response at all. We also cannot assure you that we will have a ready market to sell our products in.

We cannot assure you that we will be able to achieve our targets within our timeline or achieve them at all. Our Promoters also have no prior experience in the field of bicycle helmet manufacturing. Further, there can be no assurance that we will be successful in the business of bicycle helmets. It may not be a profitable line of business for us and we may not be able to continue such business. Additionally, we may not be able to enter into the foreign markets at terms that are favourable to us. We may also face product liability claims which may affect our reputation and brand image while entailing significant costs.

19. We sell our products through a pan-India network of dealers. Our distribution network is vital to our business and if we are unable to expand or effectively manage our distribution network, it could have an adverse effect on our business, financial condition and results of operations.

We have a pan-India distribution network that consisted of 363 active dealers as on June 30, 2018. Our dealers sell our products to wholesalers, retailers, sub-dealers and end-users. For further details, see *“**Our Business**”* on page 129. Our business is dependent on our ability to attract and retain third-party dealers and such parties' ability to promote, sell and market our products effectively. Our inability to maintain a stable distribution network and to attract new dealers to our distribution network in the future could adversely affect our business, financial condition and results of operations.

We generally have no long term agreements with our dealers. While we continuously seek to increase the penetration of our products by appointing new dealers targeted at different markets and geographies, we cannot assure you that we will be able to successfully identify or appoint new dealers, or effectively manage our existing distribution network. If our competitors offer more favourable terms to our dealers than those offered by us, such dealers may decline to distribute our products and terminate their arrangements with us or they may focus on selling our competitors' products. In addition, our competitors may also have exclusive arrangements with other dealers which may restrict us from selling our products through them, thereby limiting our ability to expand our network. If we are unable to expand or effectively manage our distribution network, it could have an adverse effect on our business, financial condition and results of operations.

20. ***Our inability to successfully expand, maintain or leverage our strategic alliances and arrangements with various OEMs and dealers, would adversely affect our business prospects, results of operations and financial conditions may be adversely affected.***

We have entered into arrangements with various OEMs and dealers in the automobile sector, to further expand our customer outreach and establish ourselves as preferred brand for two-wheeler helmets, two-wheeler luggage and two-wheeler accessories. Our relationships with these OEMs and dealers are key to business. The revenue received from our arrangement/ partnership with the OEMs in Fiscals 2018, 2017 and 2016 is ₹ 450.90 million, ₹ 248.16 million and ₹ 214.48 million, respectively, which were 13.76%, 9.11% and 8.35% of our Adjusted Revenue on a standalone basis, respectively.

There can also be no assurance that we will be able to benefit from these arrangements to effectively acquire new customers and business commensurate with the incentives provided to us by the OEMs and dealers under our arrangement with them. There can be no assurance that the OEMs and the dealers will comply with the procedural and other conditions specified by us in connection with our alliances and arrangements with them in the context of customer origination or that they will not act in any manner that could adversely affect our reputation, brand, customer relationships or business interests. In addition, our Company may not be able to identify suitable partners in the future with whom it can successfully partner through such arrangements, or in joint marketing and customer support activities or may face disputes with such partners in the future. Any of the foregoing developments could adversely affect our Company’s business prospects and financial conditions.

21. ***Our inability to estimate demand and consequently maintain an optimal level of inventory in our manufacturing facilities may impact our operations adversely.***

The success of our business depends to a large extent on our ability to estimate the demand for our products so as to effectively manage our inventory. An optimal level of inventory is important to our business as it allows us to respond to demand effectively and to maintain a full range of products for supply to our dealers. Ensuring availability of our products requires prompt turnaround time and a high level of coordination across all functions, including raw material procurement, manufacturing and warehousing.

We aim to maintain an optimal level of inventory of raw materials, work in progress and finished goods. We plan our production volumes based on past trends of demand for our products. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. As our dealers are not obliged to purchase our products or provide us with binding forecasts, there can be no assurance that demand will match our production levels. Any error in forecasting could result in shortages or surplus stock which could lead to loss of business or have an adverse impact on our profitability. If we over-stock inventory, our capital requirements may increase due to increased costs of inventory maintenance and we may incur additional financing costs. If we under-stock inventory, our ability to meet demand and our operating results may be adversely affected. Additionally, if our production is not in sync with market demand, it could result in inventory pile up and lower off-take. Further, we may be required to offer discounts to clear unsold inventory, which may adversely impact our margins. There can be no assurance that we will not face inventory mismatch in the future. Our inability to accurately plan production of our products and manage our inventory may have an adverse effect on our business, financial condition and results of operations.

22. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, prospects and future financial performance.

As of March 31, 2018, our manufacturing operations were located in Faridabad, Haryana, India. Our business is dependent on our ability to effectively manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Our capacity utilization is also affected by the product requirements of, and procurement practice followed by, our customers. For Fiscals 2018, 2017 and 2016, our capacity utilization of our manufacturing facilities, in respect of the manufacturing of two-wheeler helmets were 84.13%, 81.73% and 92.54%, respectively.

Our operations expose our work force to work under potentially dangerous circumstances, with highly flammable and explosive materials. Despite compliance with requisite safety requirements and standards, our operations are subject to hazards associated with handling of such dangerous materials. If improperly handled or subjected to unsuitable conditions, these materials could hurt our employees or other persons, including resulting in death of such employees/ persons, cause damage to our properties and properties of others or harm the environment. In the past, there have been certain instances of injuries of our employees while handling such dangerous materials. Due to the nature of these materials, we may also be liable for certain costs related to injuries and/ or death arising from occupational exposure to hazardous materials, claims and litigation from current or former employees for such injuries or other hazards at our facilities. Any incident or accidents could subject us to significant disruption in our business, legal and regulatory actions, which could adversely affect our business, financial condition and results of operations.

Further, our manufacturing facilities maybe subject to operating risks, such as performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions.

Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could materially and adversely impact our business, growth prospects and future financial performance.

23. Any delay or default in payments from dealers or customers could result in the reduction of our profits.

We extend credit to our OEMs, CSDs and CPCs. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have relatively high levels of outstanding receivables and there may be an impact on our cashflow statement. As of March 31, 2018, our trade receivables were ₹ 121.85 million on a standalone basis. If our customers or dealers default in making these payments our profits margins could be adversely affected. Our financial position and profitability therefore depend on the credit-worthiness of our OEMs, CSD and CPC.

Certain of these OEMs, CSDs and CPCs may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, if at all. Any change in the financial condition of these counterparties that adversely affects their ability to pay us may materially adversely affect our results of operations and financial condition. Further, we cannot assure you that in the future we will not extend credit to our dealers and export customers.

24. We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.

As a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required for our facilities and of our products from our facilities to our customers, or intermediate delivery points such as ports and railway stations, both of which are subject to various uncertainties and risks. We use third party transportation providers for the supply of most of our raw materials and delivery of our products to domestic customers. We are also dependent on such third party freight and transportation providers for the delivery of our products to customers and suppliers outside India. Transportation strikes may also have an adverse impact on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any recompensation received from insurers or third party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

25. Our operations are subject to risks such as breakdown of equipment, accidents and natural disasters. If any of these risks were to materialize, our business and results of operations could be adversely affected.

Our operations may be adversely affected by many factors, such as breakdown of machinery, accidents, labour disputes, natural disasters, increasing government regulations, lack of qualified operators and a downturn in the overall performance of the industry. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Further, if we are unable to repair the malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace such machineries in a timely manner or at all, which may have an adverse effect on our business, results of operations and financial condition.

26. Our operations are subject to various operational risks and could also be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees and any disruption in operations at the manufacturing facilities by our employees may have an adverse impact on our business, results of operations and financial condition.

Our manufacturing facilities located in Faridabad, Haryana, India are subject to various operating risks, including some which are beyond our control, such as the breakdown and failure of equipment, industrial accidents, employee unrest, severe weather conditions and natural disasters. Any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting the region may adversely affect operations at our facilities. We cannot assure you that we will always be able to arrange for alternate manufacturing capacity,. Any inability on our part to arrange for alternate manufacturing capacity may have an adverse effect on our business, results of operations and financial condition.

As of June 30, 2018, we had a workforce of 1,757 personnel for our operations. Our employees and personnel are critical to maintain our competitive position. Since this is a labour intensive field, there may be trade unions in our manufacturing units in the future. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work or our retail operations due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Further, there may be a demand for the increase in the wages to be paid to our employees or we may be mandated by the applicable laws to pay more wages to our employees. For instance, the minimum wages of employees in the state of Haryana has recently been increased in May 2018.

We cannot assure you that that in the future we will be able to meet all the demands raised by our employees. We also cannot assure you that increase in the amount of wages to be paid to our employees will not have any negative financial impact on our Company. Further, any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

27. All our manufacturing facilities are currently located in Faridabad, Haryana, India. Any disruption in the functioning of our manufacturing facilities may have an adverse effect on our business and prospect.

Both our operational manufacturing facilities, Manufacturing Facility I and Manufacturing Facility II and our proposed manufacturing facilities, Manufacturing Facility III and IV, which are currently under construction, are located in Faridabad. For details of Manufacturing Facility III and Manufacturing Facility IV, see "***Objects of the Offer***" on page 82. Any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect operations. Our OEMs and dealers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Any disruption of operations of our manufacturing facilities could result in delayed delivery of our product, which in turn may lead to disputes and legal proceedings with the customers on account of any losses suffered by them or any interruption of their business operations due to such delay or defect.

Further, once our goods are manufactured, they are required to be distributed all over India and exported to countries outside India. Any disruption in the transportation of such goods may have an impact on our business, reputation and financial conditions. We also cannot assure you that the transportation costs of the products will always be favourable. Very high transportation costs may have an impact on the financial condition of our Company.

28. Our industry is competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.

The Indian two-wheeler helmet and two-wheeler lifestyle products industry is fragmented with numerous manufacturers present in the unorganized market across the county. For further details on our competitions, see "***Our Business - Competition***" on page 141.

Some of our competitors may be larger than us or develop alliances to compete against us and may have greater resources, market presence and geographic reach and have products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to with-stand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market.

Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our market share. Our competitors may significantly increase their advertising expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which may have an adverse effect on our business, results of operations and financial condition.

29. We have in the past entered into related party transactions and may do so in the future. We cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

We have in the ordinary course of our business entered, and will continue to enter, into transactions with related parties. While all of our related party transactions are in compliance with applicable law, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. In addition, the Companies Act 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions.

We cannot assure you that such related party transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects, including as a result of potential conflicts of interest or otherwise. For more information regarding our related party transactions, see "***Financial Statements***" on pages 167.

30. Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.

We could be held liable for accidents that occur during the course of our operations in our manufacturing facilities. In the event of personal injuries, fires or other accidents suffered at our manufacturing facilities or by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. We typically maintain standard fire and burglary policies for our assets and stock of stores and manufacturing facilities to cover risks such as fire and other ancillary perils. We also obtain insurance for transit of goods including raw material supplied by us to our employees. We also have a public liability policy, several vehicle insurance policies and a group mediclaim policy for our employees.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that each claim under the insurance policies maintained by us will be honoured fully or promptly, or that we have taken out sufficient insurance to cover all our potential losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately insured could have an adverse effect on our business, results of operations, financial and cash flows.

In addition, in the future, we may not be able to maintain insurance of the types or at the levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately insured of the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business, reputation, results of operations, financial condition and cash flow. For further details on insurance arrangements, see "***Our Business – Insurance***" on page 140.

31. There are various legal proceedings involving our Company, our Promoters and certain of our Directors, which if determined against us or them, may have an adverse effect on our business, results of operations and our reputation.

In the ordinary course of business, our Company, our Promoters and certain of our Directors are involved in certain legal proceedings, which are pending at varying levels of adjudication at different fora. Such proceedings could divert management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. The list of material outstanding legal proceedings as on the date of this Draft Red Herring Prospectus is set out below.

S. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings*	Material civil litigation	Aggregate amount involved^ (in ₹)
1.	**Company**					
	By the Company	1	-	3	4	Not ascertainable
	Against the Company	-	3	2	-	Not ascertainable
2.	**Directors**					
	By the Directors	-	-	5	-	Not ascertainable
	Against the Directors	-	2	-	-	70,600
3.	**Promoters**					
	By the Promoters	-	-	5	-	Not ascertainable
	Against the Promoters	-	2	-	-	70,600

^ *To the extent ascertainable*

* *Our Company along with certain of our Directors have filed a settlement application before SEBI and certain compounding applications before the National Company Law Tribunal/ Regional Director, Chandigarh, Northern Region. For details, see "- **We have made certain issuances and allotments of our equity shares which are not in compliance with section 67(3) of the Companies Act 1956**" and "- **In the past, we have not been in compliance with certain sections of the Companies Act 2013**" above.*

32. We are dependent on a number of key managerial personnel, including our senior management and business heads, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our Promoters, members of our business team and other key managerial personnel. We believe that the inputs and experience of our Promoters are valuable for the development of our business and operations and the strategic directions taken by our Company. We are also dependent on our key managerial personnel including our business heads for the day to day management of our business operations. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation and provide bonuses and perquisites more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons, and the inability to find suitable replacements in a timely manner, may have an adverse effect on our business and our results of operations.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key managerial personnel may adversely affect our business, results of operations and financial condition.

33. The imposition of penalty on our chairman and Managing Director could adversely affect our reputation and our business.

Our chairman and Managing Director and one of our Promoters, Mr. Madhu Bhushan Khurana was earlier one of the directors of Studds Gadget Private Limited ("**Studds Gadget**"). Studds Gadget had made an application dated June 30, 2003 to the RoC to strike off its name from the MCA records. However, Studds Gadget received a show-cause notice dated April 23, 2008 from the RoC asking Studds Gadget to file its annual returns for the Fiscals 2006 and 2007 to which our Company appropriately responded. Further, the MCA issued a notice dated September 1, 2017 which mentioned that Studds Gadget has been struck off with effect from August 21, 2017.

Mr. Madhu Bhushan Khurana was a director on the board of directors of Studds Gadget in 2003 when it had submitted its application for striking off. In accordance with Section 164(2) of the Companies Act 2013, a director on the board of the company which has not filed its annual returns/ financial statements for a consecutive period of three years is eligible to be appointed as a director on the board of another company only after a period of five years from the date on which the company fails to make such filings.

While our Company has made an application dated March 23, 2018 to the RoC requesting it to take on record that Studds Gadget was struck off in 2003 and we are awaiting the RoC's response on the letter, we cannot assure you that RoC's response will be in our favour and that no penalty will be imposed on Mr. Madhu Bhushan Khurana that could adversely affect our reputation and our business.

34. Our inability to maintain a strong sales team or a decrease in their productivity or any termination of our distribution arrangements may adversely affect our business, financial condition and results of operations.

We market and distribute our products globally in several markets. In addition to direct sales, we rely on our distribution partners, importers from various countries, consultants, sales representatives and agents to market and distribute our products in international markets.

An increase in our employee attrition rate could result in loss of market knowledge and deterioration of established corporate relationships, and an increase in recruitment and training costs, thereby adversely affecting our business, results of operations and financial condition. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, and our financial condition and results of operations may be adversely affected.

35. Our business is subject to seasonality. Lower revenues in the second quarter of any Fiscal may adversely affect our business, financial condition, results of operations and prospects.

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, there is an increase in our business during the third and fourth quarters of each Fiscal. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods.

36. The growth of online retailers may adversely affect our pricing ability, which may have an adverse effect on our results of operations and financial condition.

We sell our products to customers through modern trade channels, which include online retailers. Over the last few years, India has witnessed the emergence and growth of such online retailers and the market penetration of online retail in India is likely to continue to increase. Such online retailers sell multiple brands on their platforms, providing customers the ability to compare products and prices across brands. While we believe this provides us with an opportunity to increase the visibility of our brands, it also increases the negotiating position of such online retailers. We cannot assure you that we will be able to negotiate our agreements with such online retailers, specially our pricing or credit provisions, on terms favourable to us, or at all. In the event that these companies continue to gain market share, they may impact our profitability, undermine sales through our dealers and may be able to increase commission rates and negotiate other favourable contract terms. Further, our competitors may be able to negotiate better or more favourable terms with such online retailers. Any inability on our part to enter into agreements and on terms favourable to us, may have an adverse effect on our pricing and margins, and consequently adversely affect our results of operations and financial condition.

37. Significant disruptions of information technology systems or breaches of data security or inability to adapt to technological changes could adversely affect our business.

Our business is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes as well as internal and external communications. For instance, we have implemented the ERP solution system. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We have experienced certain minor disruptions to our information technology systems in the past, for example, in the past, we had to change our ERP software and there have been instances of failures by the service providers to provide their services on time and we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons.

Further, we depend on the successful introduction of new production and manufacturing processes to create innovative products, achieve operational efficiencies and adapt to advances in, or obsolescence of our technology. Our future success will depend in part on our ability to respond to technological advances in the businesses in which we operate, on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. We cannot assure you that we will successfully implement new technologies effectively or that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and our financial performance may be impacted.

38. Our operating expenses include fixed costs that are not dependent upon our volume of business. As a result, any decline in our operating performance may be magnified because we may be unable to reduce expenses immediately, or at all in response to a potential shortfall in volume of business.

Our operating expenses include various fixed costs such as house-keeping and security and rent, which are as such, not dependent on our volume of business. Any significant reduction in capacity utilization rates could adversely affect margins for these products and have a material adverse effect on our business, prospects, results of operations and financial condition. Further, any shortfall in order bookings and execution may cause significant variations in operating results in any particular quarter, as we would not be able to reduce our fixed operating expenses in the short term. The effect of any decline in order bookings may thereby be magnified because a portion of our earnings are committed to paying these fixed costs.

39. One of our manufacturing facilities is not owned by us and is located on leased premises. There can be no assurance that the lease agreement will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.

A portion of our Manufacturing Facility I is located on leased premises and we do not own this premises. The term of the lease is valid until May 15, 2023. The number of two-wheeler helmets manufactured in this facility in Fiscals 2018, 2017 and 2016 were 3,148,897, 2,560,269 and 2,512,596, respectively. In the event that such lease is not renewed or is terminated, it could adversely affect our operation unless we are able to locate a suitable alternate premise. The shifting of our premises could entail a brief period of disruption of our production activities, besides entailing the cost of shifting and other unfavorable factors such as, the new location of the plant being far away from the place of supply of our raw materials. If we are unable to continue or renew such leases on same or similar terms, or find alternate premises on lease on similar terms or at all, it may affect our business operations.

Additionally, our registered and corporate office is located in the adjoining premises. In the event that the lease is not renewed or is terminated, we may not be able to shift the facility to such premises which is close to our registered office and that may have an impact on the convenience with which we conduct our business.

40. ***Our Promoters have given personal guarantees in relation to certain debt facilities obtained by our Company. In the event that our Company defaults on any of these debt obligations, the personal guarantees may be invoked by the lenders, thereby adversely affecting our Promoters' ability to manage the affairs of our Company, which in turn could adversely affect our business, financial condition and results of operations.***

Our Promoters, have given personal guarantees, for a sanctioned amount of ₹ 490.00 million as on the date of this Draft Red Herring Prospectus, in relation to the debt facilities obtained by our Company. In the event of default on the debt obligations, the guarantees may be invoked by our lenders thereby adversely affecting our Promoters' ability to manage the affairs of our Company, which in turn could adversely affect our business, financial condition and results of operations. Further, in the event that any of these guarantees are revoked by our Promoters, our lenders may require alternate guarantees, repayment of outstanding amounts under the a foresaid facilities, or may terminate such loan facilities. We may not be able to procure other guarantees satisfactorily to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, ·which could adversely affect our financial condition and cash flows. For further details in relation to the personal guarantees provided by our Promoter Selling Shareholders, see "***History and Certain Corporate Matters***" on page 145.

41. ***We may be exposed to risks arising from the uncertainty of title of the land where our manufacturing facilities are situated.***

In India, property records do not provide a guarantee of title to land. We may not be able to assess or identify all risks and liabilities associated with the private land where some of our manufacturing facilities are located, such as faulty title or irregularities in title, including due to non-execution or non-registration or inadequate stamping of conveyance deeds and other acquisition documents, unregistered encumbrances, adverse possession rights, discrepancies between the area mentioned in the revenue records, the area mentioned in the title deeds and/ or the actual physical area of some of our properties; or other defects. As a result, potential disputes or claims over title to land on which our current manufacturing facilities or manufacturing facilities we plan to develop are situated may arise. Any defects in or irregularities of title may result in the loss of development or operating rights over the respective land. Further, we may not be able to assess or identify all risks and liabilities associated with any properties, such as faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped instruments, or other defects that we may not be aware of. If either we or the owner of the land where our manufacturing facilities or offices are located are unable to resolve such disputes, we may lose our ability to operate on such disputed land, which could adversely affect our business, financial condition, results of operations and prospects.

42. ***Our loan agreement contains restrictive covenants which may adversely affect our business, results of operations and financial conditions.***

As of June 30, 2018, we have an outstanding debt of ₹ 50.00 million. The loan agreement contains requirements to maintain certain security margins, financial ratios and contain restrictive covenants relating to entering into any new scheme of arrangement, changes in control, making material changes to the Articles of Association, making changes to the management or business of the Company and incurring further indebtedness. For further details, see "***Financial Indebtedness***" on page 320.

Further, in the past, there has been a rescheduling of the repayment of one of our loan facilities. For details, see "***History and Certain Corporate Matters - Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company***" on page 148. There can be no assurance that we will be able to comply with these financial or other covenants, or that we will be able to obtain the consents necessary to proceed with the actions which we believe are necessary to operate and grow our business, which may in turn have a material adverse effect on our business and operations. Any future failure to satisfactorily comply with any condition or covenant under our loan facilities (including technical defaults) or inability to repay our loans as and when due, may lead to a termination of our credit facilities acceleration of amounts due under such facilities, and enforcement of events of default as well as cross-defaults under certain of our other financing agreements, any of which may individually or in aggregate, have an adverse effect on our operations, financial position and credit rating.

43. ***Any increase in interest rates or downward revision of our credit ratings, could have an adverse effect on our results of operations.***

As on June 1, 2018, we had a CRISIL rating of CRISIL A-/Stable for long term borrowings and CRISIL A2+ for short term borrowings. However, in 2017, our rating was once downgraded from CRISIL A-/ Stable to CRISIL BBB+/ Stable. In the future, any downward revision of our credit ratings could result in an increase in the interest rates we pay on any new borrowings and could decrease our ability to borrow as much money as we require to finance our business, which could have a material adverse effect on our business, financial condition and results of operations. Any increase in interest rates would increase the interest costs of such loans and would adversely affect our results of operations. In addition, if interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations.

44. ***Information relating to the installed capacity, actual production and capacity utilisation of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

The information relating to the estimated installed capacities of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including assumptions relating to potential facility capacity, facility operating hours and potential operational days. Capacity additions to our manufacturing facilities have been made on an incremental basis, including through expansion of our manufacturing facilities, improving material handling and other operational efficiencies in the production process and addition of equipment or production lines from time to time. Actual production levels and future capacity utilization rates may vary significantly from the estimated installed capacities of our manufacturing facilities and historical capacity utilization rates. In addition, capacity utilization is calculated differently in different countries, industries and for the different kinds of products we manufacture.

In relation to our utilized capacity, certain assumptions have been made in the calculation of the estimated annual installed capacities of our manufacturing facilities included in this DRHP (as certified by an independent chartered engineer). Actual production levels and utilization may however vary due to seasonality in demand from the computed installed capacities of our manufacturing facilities. Undue reliance should therefore not be placed on the installed capacity information for our existing manufacturing facilities and any additional capacity information proposed or the historical capacity utilization rate information included in this Draft Red Herring Prospectus.

45. ***Our Promoters and certain of our Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters, certain of our Directors and Key Managerial Personnel may be regarded as having an interest in us other than reimbursement of expenses incurred and normal remuneration or benefits. Further, our Promoters and certain Directors and key managerial personnel may be deemed to be interested to the extent of equity shares held by them. For further details, please see the sections entitled "***Our Management***" and "***Our Promoters, Promoter Group and Group Companies***" on pages 150 and 163, respectively.

46. ***Our Company and Promoters may avail of unsecured loans that are recallable by lenders, at any time.***

Our Company and Promoters may avail of unsecured borrowings that are repayable on demand by the relevant lenders. Such loans may be recalled by the relevant lenders on occurrence of certain events. Any such unexpected demand for repayment may have a material adverse effect on the business, cash flows and financial condition of the person or entity against whom such repayment is sought.

47. ***Our Promoters, together with our Promoter Group will continue to retain majority shareholding in our Company after the Offer, which will allow them to exercise significant control over us. We cannot assure you that our Promoters and Promoter Group will always act in the best interests of the Company or you.***

A majority of our issued and outstanding Equity Shares are currently beneficially owned by the Promoters and the Promoter Group. The Promoters and the Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of the Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters and Promoter Group as the Company's controlling shareholders could conflict with the Company's interests or the interests of its other shareholders. We cannot assure you that the Promoters and Promoter Group will act to resolve any conflicts of interest in the Company's or your favour.

48. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we are not permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders' investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "***Dividend Policy***" on page 166.

49. If any of our contingent liabilities materialize, our liquidity, business, prospects, financial condition and results of operations could be adversely affected.

As of March 31, 2018, the contingent liabilities of our Company which were not provided for, are as under:

Particulars	**As of March 31, 2018** **(₹ million)**
Sales tax demand	43.45
Electricity penal demand	5.69

If any of the contingent liabilities specified above materialize, our liquidity, business, prospects, financial condition and results of operations could be adversely affected.

50. We appoint contract labour for handling and loading, of materials and for providing security services at our manufacturing facilities. We may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for handling, loading, unloading of materials and for providing security services in our manufacturing facilities. Although we do not engage these labourers directly, we may be held responsible for wage payments to be made to such labourers in the event of default by independent contractors. Any requirement to fund their wage requirements may have an adverse effect on our results of operations, cash flows and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations, cash flows and financial condition.

Further, any disruption due to non-availability of such contractor labor at reasonable costs could adversely affect our manufacturing operations and production and delivery schedules. In addition, costs associated with engaging contract labour have been steadily increasing and is expected to increase significantly in the future as a result of our expanded production capacity and increased operations. Continuing increases in such costs or non-availability of such services may have an adverse effect on our business and results of operations.

51. If we are subject to any frauds, theft, employee negligence or embezzlement by our employees, contractors and customers, it could adversely affect our reputation, financial condition and results of operations.

Our operations may be subject to incidents of theft, prior to or during stocking. We may also encounter some inventory loss on account of employee/contractor/vendor fraud, theft, or embezzlement, especially in relation to certain components used in our manufacturing facilities. Although we have set up various security measures, including CCTV at most of our manufacturing facilities, deployment of security guards and operational processes, such as periodic stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future, which could adversely affect our reputation, financial condition and results of operations.

52. We may, from time to time, look for opportunities to enter strategic alliances, acquire businesses or enter into joint venture arrangements. Any failure to manage the integration of the businesses or facilities post such acquisition or joint venture may cause our profitability to suffer.

We may, from time to time, look for opportunities to acquire businesses or enter into strategic partnerships or alliances. We may pursue acquisitions, mergers, joint ventures, investments and expansions to enhance our operations and technological capabilities. However, we may not be able to accurately identify suitable acquisition targets or investment opportunities or forge alliances with appropriate companies in line with our growth strategy on commercially reasonable terms. Further, there can be no assurance that we will be able to raise sufficient funds to finance such growth strategies. Further expansion and acquisitions may require us to incur or assume new debt, expose us to future funding obligations or integration risks and we cannot assure you that such expansion or acquisitions will contribute to our profitability.

There can be no assurance that the integration of such strategic investments, joint ventures and alliances, acquisitions and mergers, whether already existing, or which we may enter in the future, will be successful or that the expected strategic benefits of any such action will be realised. Such acquisitions may not contribute to our profitability, and we may be required to incur or assume debt or additional expenses beyond our forecasts, or assume contingent liabilities, as part of any acquisition. The acquisitions may give rise to unforeseen contingent risks relating to these businesses that may only become apparent after the merger or the acquisition is finalised. We may also face difficulty in assimilating and retaining the personnel, operations and assets of any company we may acquire. There is no assurance that our products manufactured through technical collaborations and alliances will generate the expected levels of interest amongst our customers or that our new ventures will generate return on investment at expected levels or at all. Any inability on the part of our joint venture partner may also lead to a failure of such an arrangement, which may adversely affect our business.

53. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have availed the services of an independent third party research agency, Frost & Sullivan, to prepare an industry report titled "*2 Wheeler Helmet and Select Accessories Market in India*" dated August 2018 for purposes of inclusion of such information in this Draft Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, any of the BRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

54. Some of our corporate records are not traceable.

Our Company does not have access to certain filings pertaining to certain historical legal and secretarial information in relation to certain disclosures in this Draft Red Herring Prospectus. These include the following RoC forms: (i) form 2 in respect of the allotment of 180 equity Shares on November 9, 1984; (ii) form 23 in respect of the special resolution passed for the preferential allotment made on October 18, 1993; (iii) form 23 for the special resolution passed for the bonus issuance of equity shares made on July 2, 1991; (iv) form 23 for the special resolution passed for the preferential allotment of equity shares made on June 28, 1990; and (v) list of allottees attached to form 2 in relation to the allotments of equity shares made on December 1, 1995.

While information in relation to such allotments have been disclosed under "***Capital Structure***" on page 65 in this Draft Red Herring Prospectus, based on information in our Board and shareholders' resolutions, we may not be able to furnish any further document evidencing such appointments, allotment and amendments.

We cannot further assure you that we will be able to locate these records, or not be penalized by the relevant supervisory and regulatory authorities in India for not maintaining such RoC forms.

55. The deployment of the Net Proceeds is entirely at the discretion of our Company and is not subject to any monitoring by an independent agency and we have not yet placed orders for all the machineries to be utilized in our Manufacturing Facility III and Manufacturing Facility IV.

We intend to use the Net Proceeds of the Fresh Issue towards (i) part-financing the motorcycle helmet and accessories manufacturing facility situated in Faridabad; (ii) part-financing the bicycle helmet manufacturing facility situated in Faridabad; and (iii) general corporate purposes. As on the date of this Draft Red Herring Prospectus, we have not placed orders for the plant and machinery to be used in the Manufacturing Facility III, and the estimated value of plant and machinery is ₹ 423.90 million. However, we have placed orders for certain of the plant and machinery to be used in the Manufacturing Facility IV for a value of ₹ 8.12 million out of ₹ 70.50 million.

The purposes for which our Net Proceeds will be utilised have not been appraised by any independent entity and are based on our estimates and third party quotations. Our management will have broad discretion to use the Net Proceeds of the Fresh Issue and you will be relying on the judgment of our management regarding the application of these Net Proceeds of the Fresh Issue. Our management may not apply the Net Proceeds of the Fresh Issue in ways that increase the value of your investment. Additionally, our capital expenditure plans are subject to a number of variables, including possible cost over-runs and changes in management's views of the desirability of the current plans, among others. Further, the cost of certain machineries in relation to our expansion programme may escalate due to them being imported and due to foreign exchange fluctuations. For further details, see "***Objects of the Offer***" on page 82.

Pending utilisation of the Net Proceeds of the Fresh Issue, we intend to deposit such Net Proceeds of the Fresh Issue in scheduled commercial banks. Although the utilisation of the Net Proceeds of the Fresh Issue will be monitored by our Board of Directors and Audit Committee and it will not be monitored by a Monitoring Agency, there are no limitations on interim investments that we can make using such Net Proceeds of the Fresh Issue.

In the event our Company decides to vary the objects subsequent to the Offer, shall do so pursuant to a special resolution of the shareholders in a general meeting. A notice in respect of such resolution issued to the shareholders shall contain details as prescribed under the Companies Act 2013 and such details of the notice, clearly indicating the justification for such variation, shall also be published in one English and one Hindi newspaper as the registered office of the company is situated in Faridabad, Haryana. Pursuant to the Companies Act 2013, the controlling shareholders of the Company will provide an exit opportunity to the shareholders who do not agree to such proposal to vary the objects, in accordance with the Articles of Association or as may otherwise be prescribed by SEBI.

56. We have had negative cash flows in the past and may continue to have negative cash flows in the future.

The following table sets forth our cash flow for the periods indicated, in accordance with the Restated Standalone Financial Statements:

(in ₹ million)

Particulars	**For the Financial Year Ended March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
Net cash flow from / (used in) investing activities	(324.41)	(209.76)	(357.80)	(96.62)	(113.45)
Net cash flow from / (used in) financing activities	(36.26)	(2.70)	(71.91)	(31.24)	(30.80)

Our inability to generate and sustain adequate cash flows in the future could adversely affect our results of operations and financial condition and the trading price of our Equity Shares. Such negative cash flows led to a net decrease in cash and cash equivalents for respective years. For further details, see "***Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 167 and 299, respectively. We cannot assure you that our net cash flows will be positive in the future.

External Risk Factors

Risks Related to India

57. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

58. We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India’s various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India’s sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. For example, all our warehouses are located in Faridabad, hence any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect our operations.

59. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity

Shares.

60. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.

Our Restated Financial Statements as of and for the Fiscals ended March 31, 2018, 2017, 2016, 2015 and 2014 included in this Draft Red Herring Prospectus have been prepared under Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013 to the extent applicable. Our Restated Financial Statements as of and for the Fiscals ended March 31, 2016, 2015 and 2014 been compiled from the audited consolidated financial statements of our Company for the respective years under the previous generally accepted accounting principles followed in India ("**Indian GAAP**").

Except as otherwise provided in the Restated Financial Statements with respect to Indian GAAP, no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base the information on any other standards. Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Draft Red Herring Prospectus.

In addition, our consolidated Restated Financial Information may be subject to change if new or amended Ind AS accounting standards are issued in the future or if we revise our elections or selected exemptions in respect of the relevant regulations for the implementation of Ind AS.

61. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017, that combines multiple taxes and levies by the Central and State Governments into a unified tax structure.

Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented.

The Government has enacted the GAAR which have come into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

62. Our Company is subject to a new revenue recognition standard, Ind AS 115, effective April 1, 2018.

On March 28, 2018, the Ministry of Company Affairs ("**MCA**") has notified that Ind AS 115 will be effective for accounting periods beginning on or after April 1, 2018.

Ind AS 115 introduces a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under IND AS. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services.

While the management does not foresee that the application of Ind AS 115 will have a significant impact on our cash flows from operations or the methods and underlying economics through which our Company transact with the customers, there is no assurance that the application of Ind AS 115 will not materially affect our business, financial condition, results of operations and cash flows.

63. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

64. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares is generally taxable in India. Any gain realized on the sale of listed equity shares on or before March 31, 2018, on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if securities transaction tax, or STT, has been paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or before October 1, 2004, except in the case of such acquisitions of such equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long term capital gains arising from sale of equity shares on or after April 1, 2018. However, where specified conditions are met, such long term capital gains are only taxed to the extent they exceed ₹ 100,000 and unrealised capital gains earned up to January 31, 2018 continue to be exempt. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to the payment of STT, on the sale of Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares.

65. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

Risks Related to the Offer

66. Our Promoters are selling Equity Shares in the Offer and will receive proceeds as part of the Offer for Sale.

The Offer comprises of a fresh issue of [●] Equity Shares aggregating up to ₹ 980.00 million and an offer for sale of up to 3,939,000 Equity Shares by the Selling Shareholders of which two of them are our Promoters, Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana. The proceeds from the Offer will be paid to Selling Shareholders, in respect of the Equity Shares offered by them in the Offer, and we will not receive any portion of such proceeds. For further details, please see "***Objects of the Offer***" on page 82.

67. The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

68. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

69. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under "***Basis for Offer Price***" on page 95 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

70. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "***Capital Structure***" on page 65, we cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

71. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

72. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the SEBI Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

Prominent Notes:

- Initial public offering of [●] Equity Shares of face value ₹ 5 each of our Company, for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million, consisting of a Fresh Issue of [●] Equity Shares by our Company aggregating up to ₹ 980.00 million and an Offer for Sale by the Selling Shareholders of up to 3,939,000 Equity Shares aggregating up to ₹ [●] million. The Offer shall constitute [●]% of the post-Offer paid-up equity share capital of our Company.

- Our net worth as on March 31, 2018, as per our Restated Standalone Financial Statements and Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus is ₹ 1,186.88 million and ₹ 1,186.88 million, respectively. See "***Financial Statements***" on page 167.

- The net asset value per Equity Share as on March 31, 2018, as per our Restated Standalone Financial Statements and Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus is ₹ 1,085.75 and ₹ 1,085.74, respectively. See "***Financial Statements***" on page 167.

- The average cost of acquisition per Equity Share by our Promoters as on date of this Draft Red Herring Prospectus is:

Name of Promoter	Average cost of acquisition per Equity Share (₹)*
Mr. Madhu Bhushan Khurana	2.60
Mr. Sidhartha Bhushan Khurana	7.42

**As certified by the Statutory Auditors by their certificate dated August 24, 2018*

- There has been no change in the name of our Company at any time during the last three years immediately preceding the date of filing Draft Red Herring Prospectus.

- There has been no financing arrangement whereby our Promoters, members of our Promoter Group, our Directors, or any of their respective relatives, have financed the purchase by any other person of securities of our Company, other than in the ordinary course of the business of the financing entity, during the six months preceding the date of this Draft Red Herring Prospectus.

- Investors may contact the BRLMs who have submitted the due diligence certificate to the SEBI or the Registrar to the Offer, for any complaints pertaining to the Offer.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

*Unless noted otherwise, the information in this section is derived from the Frost and Sullivan report titled "2 Wheeler Market and Select Accessories Market in India" ("**F&S Report**") which has been commissioned by our Company. Neither we nor any other person connected with the Offer has independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.*

*Bidders should note that this is only a summary description of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. This summary should be read in conjunction with "**Industry Overview**" on page 100. Before deciding to invest in the Equity Shares, prospective investors should read the entire Draft Red Herring Prospectus, including the information in the sections titled "**Risk Factors**", "**Industry Overview**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operation**" and "**Financial Statements**" on pages 14, 100, 129, 299 and 167, respectively. An investment in the Equity Shares involves a high degree of risk.*

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

The following table sets forth global GDP growth and forecasts:

Country or Group	2016	2017	2018F	2019F
China	6.7%	6.9%	6.6%	6.4%
Brazil	-3.5%	1.0%	2.3%	2.5%
Russia	-0.2%	1.5%	1.7%	1.5%
South Africa	0.6%	1.3%	1.5%	1.7%
India	7.1%	6.7%	7.4%	7.8%
Japan	0.9%	1.7%	1.2%	0.9%
Euro Area	1.8%	2.3%	2.4%	2.0%
United Kingdom	1.9%	1.8%	1.6%	1.5%
United States	1.5%	2.3%	2.9%	2.7%
World	3.2%	3.8%	3.9%	3.9%

Note: Figures for 2019 are forecasts.

* *For India, data and forecasts are presented on a Fiscal year basis i.e. 2013 refers to 2013-14 or FY2014. Data for other countries calculated on a calendar year basis.*

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

Two wheelers helmet market industry

Global Market

There is a rising demand for premium helmets due to increase in the number of riders, technological advancements, strict enforcement of helmet laws. These factors are boosting the market growth for helmets worldwide. Over the next three years, the global two wheeler helmet market is expected to grow at CAGR 10.4%

Asia Pacific market is projected to be the fastest growing market due to the production of bikes at affordable prices followed by Europe due to the continuous increase in the motorcycle permits in European countries.

Arai Helmet, Lazer Helmets, Schuberth, Shoei, Nitro Racing, AG, HJC Helmets, Bell Motor Company, Nolan, Shark Helmets, Suomy, Airoh and OGK Kabuto are globally recognised two wheeler helmet brands are providing helmets with different styles and price points.

There is a growth in both premium two wheeler helmet market and regular/ mass quality helmets. Europe, North America and Japan are the major markets for premium helmets worldwide. Premium motorcycle helmets are comparatively high priced and are made of a superior-quality material such as carbon fibre which is light weight and comes with high tensile strength. These helmets may be equipped with various features such as Bluetooth and GPS.

Domestic Market

Following table shows the snapshot of two wheelers helmet industry in India:

FISCAL	PRODUCTION	DOMESTIC SALES	EXPORTS	IMPORTS
FY'18	19.53 Mn Units	19.32 Mn Units	0.29 Mn Units	0.06 Mn Units

Key players	Key export destinations	Key import destinations
- Studds - Vega - Steelbird	- **South Asia:** Bangladesh, Pakistan, Nepal, Bhutan, Burma etc. - **Africa**: Nigeria, Tanzania, Mozambique, Algeria, Zambia etc. - **LATAM**: Colombia, Peru, Chile, Paraguay etc.	- China - Taiwan - Italy - Spain

Figures rounded off to the nearest zero

Studds, a lifestyle and consumer discretionary company designing, manufacturing, and marketing a wide range and style of helmets and other wearable and non-wearable 2-wheeler lifestyle accessories is one of the largest brand in the segment.

Helmet market in India is estimated at ₹13,950 million and the domestic demand for two wheeler helmet stands at 19.32 million units for Fiscal 2018. Studds, Vega and Steelbird are top three players in two wheeler helmet industry with a collective share of over 48% and Studds being the largest brand in the segment.

Unorganized players include local manufacturers/small scale industries that assemble helmet aggregates into finished products and generally do not have ISI certification. Unorganized segment accounted for 30% of total two wheeler helmets sold in Fiscal 2018. However, the contribution is bound to go down in future as GoI, in its bid to reduce road fatalities, will make it mandatory for all helmet manufacturers to obtain Indian standards certification from the Bureau of Indian Standards (BIS) for headgear and make sale of non-ISI helmets for two wheelers an offence from end of 2018. Further, sale of helmets using fake ISI mark will attract high penalty.

In terms of exports, Studds, Steelbird and Vega being key exporters of helmets from India. South Asia and Africa are key countries to which helmets from India are exported. Studds being the largest manufacturer of helmets and the sole manufacturer of premium helmets in India exported about 2, 12,346 units in Fiscal 2018 including exports to European Countries. Vega and Steelbird put together exported 53,000 units in Fiscal 2018, mainly to the South Asian countries destination.

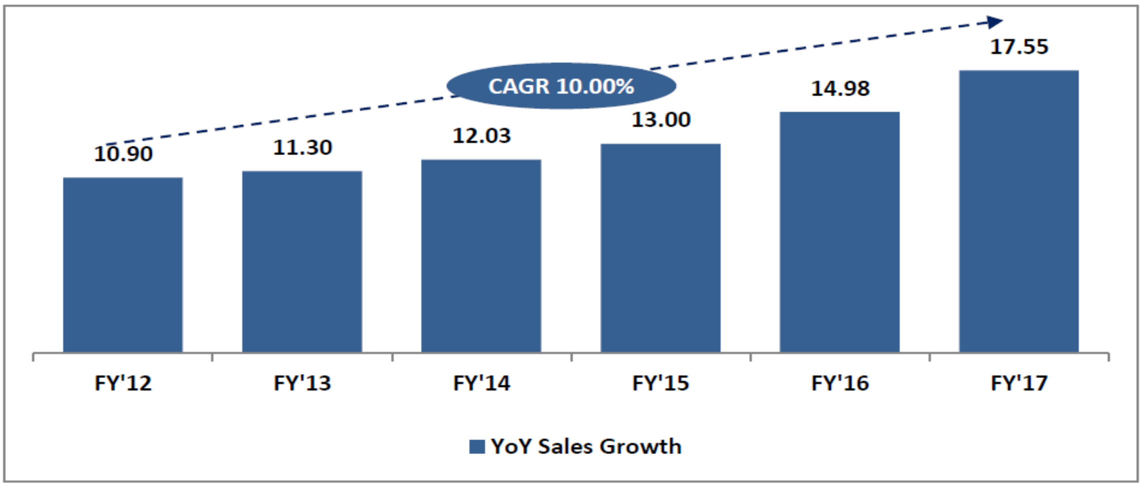
Helmet Industry in India

India has one of the largest manufacturing industries for two wheelers helmets globally. Indian two wheelers (helmet and accessories) market is divided into two categories – organized and unorganized. In 2012, the organized segment accounted for 45-50% of the total two wheelers helmet industry. However, there has been a gradual change in the past years and as of 2018, the organized segment accounts for 70% of the total two wheelers helmet market.

India has one of the largest and most competitive manufacturing industries for two wheelers helmets with current manufacturing capacity of 35 million helmets per annum. In the last five years, key players like Studds, Vega and Steelbird almost doubled their production. India is one of the prominent countries exporting helmets to countries in African and South Asian Region. The total imports were about 60,900 units in Fiscal 2018.

ISI certified/marked helmets are mainly sold in urban areas, whereas local helmets are cheaper, hence popular in rural area. Recently, the GoI announced that the sale of non-ISI helmets for two wheelers would become an offence by the end of this year.

Following chart shows the domestic sales growth in two wheelers helmet segment:



Source: Frost & Sullivan Analysis, Nos. in Million

Two wheelers helmet industry has grown at CAGR of 10% over the past five years. Increasing awareness among riders and government initiatives helped it to grow. The High Courts of various states had made it compulsory for bike riders and those riding pillion to compulsorily wear a helmet. The state governments have the responsibility to ensure that the directions of the High Courts are implemented.

Strict enforcement of laws and state government mandate for the pillion riders to wear helmets ensure high demand for helmets in Northern and Southern India. In western region, the implementation of laws is comparatively weaker. Urban and semi-urban areas see strong demand, while the rural market will grow on the back of government mandates.

SUMMARY OF BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Bidders should note that this is only a summary of our business and does not contain all information that should be considered before investing in the Equity Shares. This summary should be read in conjunction with "**Our Business**" on page 129. Before deciding to invest in the Equity Shares, Bidders should read this entire Draft Red Herring Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "**Risk Factors**" on page 14 for a discussion of the risks and uncertainties related to those statements and also, "**Financial Statements**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 167 and 299, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.Unless otherwise stated, the financial information used in this section is derived from our Restated Consolidated Financial Statements.*

*The industry data in this section has been extracted from the report dated August 2018, titled "2 Wheeler Helmet and Select Accessories Market in India", prepared by Frost & Sullivan ("**F&S Report**"). Neither we, nor the Selling Shareholders, the BRLMs, nor any other person connected with the Offer has independently verified the information in the F&S Report.*

Overview

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

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

- The *Studds* brand was established in the year 1975 and over time has become a widely-recognized brand in India. *Studds* covers the mass commuter market segment in India and the two-wheeler helmets under the brand were sold at maximum retail prices in India ranging from ₹ 825.00 to ₹ 2,165.00 per two-wheeler helmet, as of June 30, 2018. In Fiscal 2018, more than five million helmets were sold under the *Studds* brand within India and Asia, Latin America, Central America and Africa (*Source: F&S Report*). We also manufacture helmets for Jay Squared LLC D.B.A. Daytona Helmets Int. which are sold under the brand name *Daytona* in the United States. Helmets sold under the *Studds* brand constituted more than 25% share in the two-wheeler helmet industry in India in Fiscal 2018 (*Source: F&S Report*).

- The *SMK* brand was introduced in the year 2016 and caters to the premium two-wheeler helmet segment in India. *SMK* helmets primarily cater to the premium two-wheeler helmet segment in certain countries in Asia and Latin America, whereas in certain countries in Europe, *SMK* helmets cater to the mid-market commuter segment. Helmets under the *SMK* brand were sold at maximum retail prices in India ranging from ₹ 2,300.00 to ₹ 9,800.00 per helmet, as of June 30, 2018. Based on the total units of premium two-wheeler helmets sold in India in Fiscal 2018, SMK had a market share of 27.79% in the premium two-wheeler helmet market in India (*Source: F&S Report*). In Fiscal 2018, a total of 23,436 two-wheeler helmets were sold under the *SMK* brand within India.

The safety, reliability and quality associated with a helmet brand are the key attributes which increase customer confidence and influence a purchase decision. We also believe that over time, our consistent focus on improving the safety features and quality of our helmets have helped us in establishing our brands, *Studds* and *SMK*, as trusted brands amongst our customers. We are focused on continuously improving the safety features of our helmets by incorporating emerging head gear protection technology and combining it with style, performance and fit. We regularly test products throughout the development and manufacturing processes at our in-house testing laboratory, which has been certified by VCA, England, and all our helmets are subjected to various quality control procedures.

We believe that one of our key strengths is our ability to understand changing fashion trends and anticipate customer requirements, while ensuring compliance with the highest quality standards. We have a comprehensive portfolio of products with 47 different styles and designs of helmets in various sizes and colours across the helmet categories as of June 30, 2018. We regularly introduce new product designs and offerings at average intervals ranging from 3-12 months. We are able to constantly innovate and develop different styles and designs through our institutionalized design process for which we rely on our in-house design team. Our design team is primarily responsible for forecasting design trends, researching on improving the fit and comfort of our products and integrating new and advanced technologies in our products. We also engage the services of specialised design firms for designing and conceptualising certain niche designs for our helmets. We have entered into an exclusive service agreement with a European design firm, for designing and conceptualising our two-wheeler helmets. We have also recently engaged services of a Spanish design firm for designing and developing *SMK* full face and flip-up helmets with inbuilt Bluetooth technology in order to enhance the riding comfort and safety of two-wheeler riders.

Our product development process is supported by two backward integrated manufacturing facilities located in Faridabad, Haryana. Our facilities are equipped with in-house automated injection moulding shop, four paint shops (one of which is fully automated), automated silicon hard coating facility for visors, sputtering and metalizing technologies available for coating visors, in-house helmet liners stitching facility, conveyorised assembly line, in-house mould making shop and design center and an in-house helmet testing laboratory certified by VCA England.

We have a strong pan India dealer network across urban, semi urban and rural parts of India which consists of dealers and institutional customers, such as the Central Police Canteens and Canteen Stores Department as well as a global distribution network. As of June 30, 2018, we sold our products through 363 active dealers in India and had sold our products to 30 importers across Europe, North America, Asia, Latin America, Central America and Africa for our export operations. Most of the orders placed by our dealers are backed by advance payments and all the orders placed by our importers are usually backed by advance payments or letter of credit, which allows us to have negative working capital. We have also entered into agreements for supply of helmets and two-wheeler lifestyle accessories with two-wheeler OEMs such as Honda Motor India Private Limited, Hero Motorcorp Limited, Suzuki Motorcycle India Private Limited and UM Lohia Two Wheelers Private Limited. All the helmets supplied to the two-wheeler OEMs are under joint branding.

For the Fiscals 2018, 2017 and 2016, our revenue from operations was ₹ 3,364.44 million, ₹ 3,091.25 million and ₹ 2,919.34 million respectively, representing a CAGR of 7.35% during the last three Fiscals. For Fiscals 2018, 2017 and 2016, our profit for the year was ₹ 324.66 million, ₹ 237.47 million, and ₹ 246.92 million, respectively, representing a CAGR of 14.67% during the last three Fiscals. In Fiscals 2018, 2017 and 2016, we recorded EBITDA of ₹ 572.08 million, ₹ 424.47 million and ₹ 431.49 million, respectively. Our RoNW for Fiscals 2018, 2017 and 2016 was 27.35%, 27.16%, and 38.70%, respectively.

Our Strengths

Largest manufacturer of helmets with leading brands and wide product range

We are the largest manufacturer of two-wheeler helmets in the world in terms of volume of two-wheeler helmets sold in Fiscal 2018 (*Source: F&S Report*). Our flagship brand *Studds* is the largest selling two-wheeler helmet brand in India in terms of volume of helmets sold in India in Fiscal 2018 (*Source: F&S Report*). Over the last 35 years, we have developed the *Studds* brand as a trusted brand amongst our customers by focusing on incorporating the advanced head gear protection technology in our products and by ensuring compliance with stringent quality and safety standards. As a result, we believe that *Studds* has become a well-recognized brand in India. According to the F&S Report, based on revenues, *Studds* branded helmets constituted a share of 25.66% of the two-wheeler helmet market in India in Fiscal 2018. A total of 4.95 million two-wheeler helmets were sold in India under the *Studds* brand in Fiscal 2018 (*Source: F&S Report*).

Leveraging the brand recall and reputation of *Studds*, we have strategically expanded into the premium two-wheeler helmet segment in the year 2016, through launch of our brand *SMK*. *SMK* has emerged as the leading brand with the largest market share in the premium two-wheeler helmet segment in India in terms of volume of premium two-wheeler helmets sold in Fiscal 2018 (*Source: F&S Report*), and is also marketed in 23 countries as of June 30, 2018. *SMK* helmets cater to the premium two-wheeler helmet segment in certain countries in Asia and Latin America, whereas in certain countries in Europe, *SMK* helmets cater to the mid-market commuter segment. Our diversified brand portfolio under our *Studds* and *SMK* brands enable us to cater to the requirements of our target customers across price points including premium, mid-range and economy segments.

We believe that our focus on style, design, quality as well as safety, makes us a lifestyle choice for our customers, and positions *Studds* and *SMK* as aspirational brands. We have a comprehensive portfolio of products with 47 different styles and designs of helmets in various sizes and colours across the two-wheeler helmet categories as of June 30, 2018. We currently manufacture two-wheeler helmets in various categories including full-face helmet, flip-up full face helmets, flip-off full face helmets, off-road full face helmets, open face helmets, sporting helmets and industrial helmets. We regularly refresh our product offering by introducing innovative designs which are influenced by changing fashion trends and customer preferences. We believe that our innovative designs along with our strong focus on safety features and rigorous quality control over the last 35 years has created a perception of trust and credibility in our brands among our target customers, which is one of our key strengths distinguishing us from our competitors.

Our brands *Studds* and *SMK* have significantly contributed to our growth. Our brand logos are prominently displayed on all our products and every product used by our customers enhances our brand visibility and strengthens our brand recall. We believe that we can effectively leverage our brand recall to increase our scale of operations, introduce new innovative product designs and expand our presence into new geographies and markets.

Customer centricity supported by integrated operations

We are focused on the requirements and style aspirations of our customers and have developed expertise in creating innovative designs with a focus on quality and optimizing fit, comfort and sizing. We have developed our manufacturing processes over two decades of production experience and gradually created extensive backward integration, which has allowed us to have better control over the quality of our products. Our integrated manufacturing facilities benefit us in various ways, including ensuring quality and safety control at each stage of the manufacturing process, supporting our ability to continuously develop new products and designs, reduced operational costs and economies of scale. Our integrated manufacturing facilities also provide us with the ability to have quicker response time to customer requirements and complaints and provide timely after-sales support.

We typically utilize logistics infrastructure hired by us, for supply of finished products from our manufacturing facilities to our dealers. Having control over the delivery process of our products helps us in minimizing damage to our products during transportation and also helps us in controlling our operating expenses.

Both our manufacturing facilities are located in close proximity to each other, which creates synergy in our manufacturing process. As of Fiscal 2018, our manufacturing facilities had a combined installed capacity of producing 6,120,000 two-wheeler helmets per annum. Both our manufacturing facilities are ISO: 9001:2008 certified and we regularly invest in upgrading our machinery and technology in order to improve our manufacturing efficiency. For instance, we believe that we are one of the few helmet manufacturers in India to have installed sputtering and metalizing technologies at our manufacturing facilities. Our helmets undergo intensive testing at our in-house testing laboratory, which has been certified by VCA, England.

Our product design and development capabilities, integrated manufacturing processes and stringent quality checks represent an important element of the success of our business. We believe that our ability to produce new designs and develop new products improves our competitive position in the helmet and two-wheeler lifestyle accessory industry. As on the date of the Draft Red Herring Prospectus, our Company has been granted seven design registrations under the Design Act, 2000, which includes registration of our helmet designs and other design innovations including full face ninja helmet and open face helmet nano. Our cross functional product design team is involved in our design innovations and engages with our target customers to understand their product requirements and track evolving market trends. As of June 30, 2018, we have employed 15 personnel in our product design team. We also engage the services of specialised design firms for designing and conceptualising certain niche designs for our two-wheeler helmets. For instance, for designing and conceptualising our two-wheeler helmets, we have entered into an exclusive service agreement with a European design firm.

Strong pan-India and global presence supported by an extensive and well-developed sales and dealer network and major quality accreditations

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

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

In addition, we directly sell our products to reputed two-wheeler OEMs, such as Honda Motor India Private Limited, Hero Motorcorp Limited, Suzuki Motorcycle India Private Limited and UM Lohia Two Wheelers Private Limited. Over time, we have developed strong relationships with some of the OEMs, such as Honda Motor India Private Limited. We also sell our products directly through institutional customers such as the Central Police Canteens and the Canteen Stores Department. We benefit from our strong relationship with our dealers and OEM customers, which has been one of our key growth drivers. We believe that the strength of our customer relationships is attributable to our ability to deliver quality and cost competitive products over the years.

Capital efficient and scalable business model

We have a scalable business model which relies on our brand recall, our integrated operations and our dealer network. Our brand logos are prominently displayed on our products and each product sold by us enhances our brand visibility and recall, which allows us to undertake minimal advertising expenses. The synergies from our integrated operations help us in reducing our operating expenses and enable us to upscale our operations in an efficient and seamless manner. Our large dealer network, which includes our domestic dealers, importers and two-wheeler OEMs, allows us to expand our geographical reach without incurring significant capital expenditure. Further, most of the orders placed by our dealers are backed by advance payments and all the orders placed by our importers are usually backed by advance payments or letter of credit, which allows us to have negative working capital. By leveraging these factors, we have established a strong track record of growth and financial performance with steady cash flows from our operations. Between Fiscal 2016 and 2018, our total revenue increased at a CAGR of 7.35%, our profit for the year increased at a CAGR of 14.67%, our EBITDA increased at a CAGR of 15.14%. We believe that our focus on leveraging our brand recall, integrated operations and dealer network will contribute to the growth and development of the business.

Experienced Promoters and Management team

We benefit from the experience of our Promoters and the senior management team who have extensive knowledge in two-wheeler lifestyle products industry. Our Promoters are actively involved in our operations, and along with our senior management have been instrumental in implementing our growth strategies and expanding our business through various initiatives including building home-grown brands *Studds* and *SMK*, expanding the presence of the brands in India and internationally and increasing our product sales within and outside India. Our Promoters are actively involved in our operations, especially in the product development process and the marketing initiatives undertaken by us. Our Promoters hold annual events to interact and strengthen the relationships with our dealers and take feedback on the product and process improvement. Our operations commenced under Mr. Madhu

Bhushan Khurana, our Promoter and Chairman, who successfully managed various phases of expansion, growth and consolidation of our business and operations and has over 35 years of experience in the manufacturing of two-wheeler lifestyle accessories. Mr. Sidhartha Bhushan Khurana, our Promoter and Managing Director has over 20 years of experience in the two wheeler lifestyle accessories industry. Our management is also supported by an experienced and technically qualified execution team.

Our Strategies

Expand our production capacity and deepen our backward integration

We are the largest manufacturer of two-wheeler helmets in the world in terms of volume of two-wheeler helmets sold in Fiscal 2018 (*Source: F&S Report*) and sell our products in 31 countries as of June 30, 2018. In Fiscal, 2018, our manufacturing facilities has a combined capacity of producing 6,120,000 units of two-wheeler helmets and 499,500 units of two-wheeler luggage. Our large manufacturing capacities enable us to achieve economies of scale resulting in decreased cost of production per manufacturing unit.

The two-wheeler helmet market in India is estimated to grow at a CAGR of 16.91% over the next five years. Further, the sales of premium two-wheeler helmets is also likely to witness growth and is estimated to increase from the current 0.08 million units to 0.61 million units by Fiscal 2023 (*Source: F&S Report*). Further, the Ministry of Road Transport and Highways, Government of India, has published the Draft Notification, which proposes to make it mandatory for all two-wheeler helmet manufacturers to obtain a standard mark IS 4151:2001 (to be certified by the Bureau of Indian Standards). As per the F&S Report, the requirement for all two-wheeler helmets to mandatorily bear Indian standards certification from the Bureau of Indian Standards will increase the demand for ISI certified helmets, which will also result in the growth of the market share of helmet manufacturers in the organized segment. We believe that we are well placed to benefit from the growth in the two-wheeler helmet industry by leveraging our existing market position in India, particularly the recognition of our brands, *Studds* and *SMK*, our quality standards and certifications and geographical spread of our dealer network.

In addition to strengthening and expanding the reach of the *Studds* brand, we intend to continue to grow our brand *SMK* targeting the premium helmet market. We are the only manufacturer in India that is present in the premium two-wheeler helmet segment (*Source: F&S Report*). According to F&S Report, the demand for premium helmets market is expected to grow from the currently 0.08 million units to 0.61 million units by 2023. The demand for premium two-wheeler helmets is primarily driven by the increasing sale of premium motorcycles. We intend to capitalize on this growth by leveraging the *SMK* brand and increase our market share and sales in the premium two-wheeler helmet segment internationally and in India. We propose to increase the manufacturing capacity of *SMK* helmets in order to cater to the growing demand for premium two-wheeler helmets.

Increase our presence in the premium helmet segment through the SMK brand

In addition to strengthening and expanding the reach of the *Studds* brand, we intend to continue to grow our brand *SMK* targeting the premium helmet market. We are the only manufacturer in India that is present in the premium two-wheeler helmet segment (*Source: F&S Report*). According to F&S Report, the demand for premium helmets market is expected to grow from the currently 0.08 million units to 0.61 million units by 2023. The demand for premium two-wheeler helmets is primarily driven by the increasing sale of premium motorcycles. We intend to capitalize on this growth by leveraging the *SMK* brand and increase our market share and sales in the premium two-wheeler helmet segment internationally and in India. We propose to increase the manufacturing capacity of *SMK* helmets in order to cater to the growing demand for premium two-wheeler helmets.

Expand our product portfolio

We aim to leverage our existing suite of products, knowhow and manufacturing capabilities to produce niche and higher-margin products. In particular, we intend to expand the production of bicycle helmets and two-wheeler luggage and apparel. The demand for healthier lifestyles and regulatory initiatives taken for reducing carbon emissions have been the primary growth drivers for increase in demand of bicycles (*Source: F&S Report*). The growth for demand of bicycles has also increased the demand for bicycle helmets, which is estimated to grow globally at a CAGR of 3.39% over the next five years (*Source: F&S Report*). In India, the demand for bicycle helmets is estimated to grow at a CAGR of 3.26% to reach 883,000 units over the next five years (*Source: F&S Report*). We intend to use a part of the Net Proceeds towards funding our new manufacturing facility located at Faridabad for manufacturing bicycle helmets. We also intend to use a part of the Net Proceeds towards funding our new manufacturing facility located at Faridabad for entering new product lines and segments such, as bicycle helmets and apparels. In the future, we also intend to enter into new product lines and target new consumer segments. As part of our business strategy, we intend to develop new and diversified two-wheeler lifestyle products targeted at niche customer segments that we believe will enable us in achieving higher margins.

Continue to develop and enhance our brands

Our ability to continue to benefit from our brands *Studds* and *SMK* is a key strength that contributes to our success. We intend to continue to increase brand awareness and customer loyalty through significant marketing efforts and through strategic expansion of our distribution channels. We plan to focus on a branding strategy targeted at customers in the premium segment. We continue to focus on enhancing customer experience to improve our brand recall. We also intend to increase our marketing budget, including for additional marketing and sales personnel, to focus on building our brand and grow our business. We intend to increase our domestic retail footprint through franchisee owned and operated exclusive brand outlets. We seek to enter into franchise agreements for our exclusive brand outlets which requires lower upfront capital expenditure compared to acquisition of real estate or properties for setting up our outlets. We plan to initially open approximately 10 to 15 exclusive franchise brand outlets primarily in tier 1 and tier 2 cities and towns in India during Fiscals 2019 and 2020, which we believe will further expand our dealer network and enhance our brand recognition and visibility. We also intend to continue developing our design capabilities by expanding our internal design teams and developing relationships with new international designers.

SUMMARY FINANCIAL INFORMATION

*The summary financial information presented below should be read in conjunction with "****Financial Statements****" and "****Management's Discussion and Analysis of Financial Condition and Results of Operations****" on pages 167 and 299, respectively.*

Restated Standalone Statement of Assets and Liabilities

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
ASSETS					
Non-Current Assets					
Property Plant & Equipment	**1,246.82**	803.44	744.64	618.25	548.32
Capital Work in Progress	**61.49**	6.53	0.06	-	8.81
Intangible Assets	**4.42**	4.41	4.22	3.86	3.27
Financial Assets					
- Non-Current Investments	**0.03**	3.25	3.24	3.26	3.26
Total Non-Current Assets	**1,312.76**	**817.63**	**752.16**	**625.37**	**563.66**
Current Assets					
Inventories	**126.71**	109.90	78.25	53.30	45.95
Financial Assets					
- Trade Receivables	**121.85**	39.68	84.36	45.32	43.11
- Cash & Cash Equivalents	**171.44**	100.84	82.20	163.52	71.50
- Other Bank Balances	**468.60**	316.34	205.94	2.41	2.25
- Other Financial Assets	**8.22**	8.26	8.06	3.90	4.27
Other Current Assets	**18.74**	24.35	23.31	14.74	22.65
Total Current Assets	**915.57**	**599.36**	**482.12**	**283.19**	**189.73**
Total Assets	**2,228.33**	**1,416.99**	**1,234.28**	**908.56**	**753.39**
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	**10.93**	10.93	10.93	10.93	10.93
Other Equity	**1,175.95**	859.32	624.42	397.39	302.26
Total Equity	**1,186.88**	**870.25**	**635.35**	**408.32**	**313.19**
Liabilities					
Non-Current Liabilities					
Financial Liabilities					
- Non-Current Borrowings	**3.51**	24.75	24.30	45.70	58.08
- Other Non-Current Financial Liabilities	**262.23**	14.37	13.00	10.67	9.53
Non-Current Provisions	**11.10**	9.84	8.28	5.99	4.35
Deferred Tax Liability (Net)	**96.22**	82.79	65.25	48.91	39.51
Total Non-Current Liabilities	**373.06**	**131.75**	**110.83**	**111.27**	**111.47**
Current Liabilities					
Financial Liabilities					
- Current Borrowings	**-**	-	-	14.46	12.05
- Trade Payables	**344.21**	254.18	281.21	236.46	212.60
- Other Current Financial Liabilities	**221.43**	114.65	103.80	95.15	75.88
Other Current Liabilities	**47.60**	27.35	30.38	16.69	15.66
Current Provisions	**7.08**	7.05	5.97	5.01	4.69
Current Tax Liabilities (Net)	**48.06**	11.76	66.74	21.20	7.84
Total Current Liabilities	**668.39**	**414.99**	**488.10**	**388.97**	**328.72**
Total Liabilities	**1,041.44**	**546.74**	**598.93**	**500.24**	**440.19**
Total Equity and Liabilities	**2,228.33**	**1,416.99**	**1,234.28**	**908.56**	**753.39**

Restated Standalone Statement of Profit and Loss

(Rs. in million)

Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017	For the year ended 31-Mar-2016 Proforma	For the year ended 31-Mar-2015 Proforma	For the year ended 31-Mar-2014 Proforma
Income					
Revenue from Operations	**3,364.44**	3,091.25	2,919.34	2,058.17	1,734.24
Other Income	**53.45**	20.08	10.92	1.27	1.15
Total Revenue	**3,417.89**	**3,111.33**	**2,930.26**	**2,059.44**	**1,735.39**
Expenses					
Cost of Material Consumed	**1,528.56**	1,258.11	1,196.23	937.21	811.63
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	**6.38**	(19.63)	(6.74)	(0.15)	(1.99)
Excise Duty on sale of goods	**87.18**	368.54	351.32	249.38	211.75
Employee Benefit Expense	**318.82**	271.17	219.54	160.17	137.86
Finance Cost	**3.47**	3.61	5.18	9.73	11.57
Depreciation and Amortisation Expense	**57.39**	52.23	38.29	33.36	25.58
Other Expenses	**901.29**	810.54	740.15	509.40	425.78
Total	**2,903.09**	**2,744.59**	**2,543.97**	**1,899.09**	**1,622.18**
Profit before Tax	**514.80**	**366.75**	**386.28**	**160.35**	**113.21**
Tax Expense:					
Current Tax	**172.12**	113.07	123.50	47.31	27.17
Deferred Tax	**13.43**	17.54	16.34	9.41	10.48
Tax relating to earlier periods	**0.44**	0.13	0.85	0.12	0.56
Total Tax Expense	**185.99**	**130.73**	**140.69**	**56.84**	**38.20**
Profit for the year	**328.81**	**236.01**	**245.59**	**103.51**	**75.01**
Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
Re-measurement gains/(losses) on defined benefit plans	**(0.52)**	0.31	(0.22)	(0.06)	0.69
Income tax effect	**0.18**	(0.11)	0.08	0.02	(0.23)
Total other comprehensive income	**(0.34)**	**0.20**	**(0.14)**	**(0.04)**	**0.47**
Total Comprehensive Income for the year	**328.47**	**236.21**	**245.45**	**103.47**	**75.48**
Earnings per share (face value Rs. 5/-)					
- Basic EPS (in Rs.)	**16.71**	11.99	12.48	5.26	3.81
- Diluted EPS (in Rs.)	**16.71**	11.99	12.48	5.26	3.81

Restated Standalone Statement of Cash Flows

(Rs. in million)

Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017	For the year ended 31-Mar-2016 Proforma	For the year ended 31-Mar-2015 Proforma	For the year ended 31-Mar-2014 Proforma
A Cash Flow from Operating Activities					
Profit before Tax	**514.80**	**366.75**	**386.28**	**160.35**	**113.21**
Adjustments for:					
Depreciation and Amortisation Expense	**57.39**	52.23	38.29	33.36	25.58
(Gain)/Loss in change in fair value of financial instruments	**0.04**	(0.01)	0.02	0.00	0.02
Finance Cost	**3.47**	3.61	5.18	9.73	11.57
Rent Income	**(0.26)**	(0.24)	(0.24)	(0.24)	(0.02)
Interest Income	**(28.15)**	(18.06)	(8.84)	(0.22)	(0.35)
Profit on Sale of Investments	**(23.30)**	-	-	-	-
Loss on sale of Property, Plant and Equipment	**0.15**	1.73	0.09	0.47	0.48
Other Income	**(1.74)**	(1.77)	(1.84)	(0.81)	(0.78)
Operating Profit before working Capital changes	**522.39**	**404.28**	**418.93**	**202.62**	**149.72**
Working capital adjustments:					
Movement in trade & other payables	**138.29**	(16.80)	84.05	52.48	44.35
Movement in trade & other receivables	**(76.51)**	43.43	(51.77)	6.07	17.04
Movement in inventories	**(16.81)**	(31.65)	(24.94)	(7.35)	(5.56)
Cash Generated from Operations	**567.36**	**399.26**	**426.27**	**253.82**	**205.54**
Direct Taxes Paid and Taxes earlier years	**(136.08)**	(168.16)	(77.88)	(33.93)	(19.55)
Net Cash Flow from Operating Activities (A)	**431.28**	**231.10**	**348.39**	**219.89**	**185.99**
B Cash Flow from Investing Activities					
Purchases of Property, Plant and Equipment (PPE)	**(228.92)**	(120.73)	(167.12)	(99.28)	(120.67)
Sale proceeds from sale of PPE	**0.14**	1.29	1.94	1.53	0.35
Sale proceeds from sale of Investments	**26.49**	-	-	-	-
(Investment) In Fixed Deposits/Maturity	**(152.27)**	(110.40)	(203.53)	(0.15)	5.71
Rent Received	**0.26**	0.24	0.24	0.24	0.02
Interest Received	**28.15**	18.06	8.84	0.22	0.35
Other Income Received	**1.74**	1.77	1.84	0.81	0.78
Net Cash Flow from Investing Activities (B)	**(324.41)**	**(209.76)**	**(357.80)**	**(96.62)**	**(113.45)**
C Cash Flow from Financing Activities					
Proceeds/(Repayment) from Non-Current Borrowings (Net)	**(21.10)**	2.18	(33.96)	(17.76)	(0.94)
Proceeds/(Repayment) from Current Borrowings (Net)	**-**	-	(14.46)	2.41	(12.65)
Dividend Including Dividend Distribution Tax	**(11.69)**	(1.27)	(18.31)	(6.17)	(5.64)
Interest Paid	**(3.47)**	(3.61)	(5.18)	(9.73)	(11.57)
Net Cash Flow from Financing Activities (C)	**(36.26)**	**(2.70)**	**(71.91)**	**(31.24)**	**(30.80)**
Net increase in Cash and Cash Equivalents (A+B+C)	**70.60**	**18.64**	**(81.32)**	**92.02**	**41.74**
Cash and Cash Equivalent at the beginning of the year	**100.84**	82.20	163.52	71.50	29.75
Cash and Cash Equivalent at the end of the year	**171.44**	**100.84**	**82.20**	**163.52**	**71.50**

Restated Consolidated Statement of Assets and Liabilities

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
ASSETS					
Non-Current Assets					
Property Plant & Equipment	**1,246.82**	805.50	746.69	620.31	550.38
Capital Work in Progress	**61.49**	6.53	0.06	-	8.81
Goodwill on Consolidation	**-**	2.41	2.41	2.41	2.41
Other Intangible Assets	**4.42**	4.41	4.22	3.86	3.27
Financial Assets					
- Non-Current Investments	**0.03**	0.06	0.06	0.07	0.08
Total Non-Current Assets	**1,312.76**	**818.91**	**753.44**	**626.65**	**564.95**
Current Assets					
Inventories	**126.71**	109.90	78.25	53.30	45.95
Financial Assets					
- Trade Receivables	**121.85**	39.68	84.36	45.32	43.11
- Cash & Cash Equivalents	**171.44**	101.56	83.65	163.83	71.52
- Other Bank Balances	**468.61**	319.25	206.78	3.18	2.97
- Other Financial Assets	**8.22**	8.27	8.06	4.59	4.29
Other Current Assets	**18.74**	24.36	23.32	14.73	22.64
Total Current Assets	**915.57**	**603.02**	**484.42**	**284.95**	**190.48**
Total Assets	**2,228.33**	**1,421.93**	**1,237.86**	**911.60**	**755.43**
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	**10.93**	10.93	10.93	10.93	10.93
Other Equity	**1,175.95**	863.48	627.14	398.79	302.43
Total Equity attributable to owners of the company	**1,186.88**	**874.41**	**638.07**	**409.72**	**313.36**
Non Controlling Interest	**-**	0.04	0.03	0.02	0.01
Liabilities					
Non-Current Liabilities					
Financial Liabilities					
- Non-Current Borrowings	**3.51**	24.75	24.30	45.70	58.08
- Other Non-Current Financial Liabilities	**262.23**	14.79	13.41	11.06	9.53
Non-Current Provisions	**11.10**	9.84	8.28	5.99	4.35
Deferred Tax Liability (Net)	**96.22**	82.79	65.25	48.91	39.51
Total Non-Current Liabilities	**373.06**	**132.17**	**111.24**	**111.66**	**111.47**
Current Liabilities					
Financial Liabilities					
- Current Borrowings	**-**	-	-	14.46	12.05
- Trade Payables	**344.21**	254.18	281.21	236.46	212.60
- Other Current Financial Liabilities	**221.43**	114.73	103.98	96.17	77.73
Other Current Liabilities	**47.60**	27.35	30.38	16.69	15.66
Current Provisions	**7.08**	7.05	5.97	5.01	4.69
Current Tax Liabilities (Net)	**48.06**	12.00	66.98	21.41	7.86
Total Current Liabilities	**668.39**	**415.31**	**488.52**	**390.20**	**330.59**
Total Liabilities	**1,041.45**	**547.48**	**599.76**	**501.86**	**442.06**
Total Equity and Liabilities	**2,228.33**	**1,421.93**	**1,237.86**	**911.60**	**755.43**

Restated Consolidated Statement of Profit and Loss

(Rs. in million)

Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017	For the year ended 31-Mar-2016 Proforma	For the year ended 31-Mar-2015 Proforma	For the year ended 31-Mar-2014 Proforma
Income					
Revenue from Operations	**3,364.44**	3,091.25	2,919.34	2,058.17	1,734.26
Other Income	**49.88**	21.98	12.67	2.90	1.21
Total Revenue	**3,414.32**	**3,113.23**	**2,932.01**	**2,061.06**	**1,735.47**
Expenses					
Cost of Material Consumed	**1,528.56**	1,258.11	1,196.23	937.21	811.63
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	**6.38**	(19.63)	(6.74)	(0.15)	(1.99)
Excise Duty on sale of goods	**87.18**	368.54	351.32	249.38	211.75
Employee Benefit Expense	**318.82**	271.17	219.54	160.17	137.86
Finance Cost	**3.47**	3.61	5.18	9.73	11.57
Depreciation and Amortisation Expense	**57.39**	52.23	38.29	33.36	25.58
Other Expenses	**901.30**	810.55	740.16	509.41	425.90
Total	**2,903.10**	**2,744.60**	**2,543.99**	**1,899.10**	**1,622.30**
Profit before Tax	**511.22**	**368.63**	**388.02**	**161.96**	**113.18**
Tax Expense:					
Current Tax	**172.67**	113.49	123.91	47.69	27.19
Deferred Tax	**13.43**	17.54	16.34	9.41	10.48
Tax relating to earlier periods	**0.46**	0.13	0.86	0.12	0.55
Total Tax Expense	**186.55**	**131.17**	**141.10**	**57.22**	**38.23**
Profit for the year	**324.66**	**237.47**	**246.92**	**104.75**	**74.95**
Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
Re-measurement gains/(losses) on defined benefit plans	**(0.52)**	0.31	(0.22)	(0.06)	0.69
Income tax effect	**0.18**	(0.11)	0.08	0.02	(0.23)
Total other comprehensive income	**(0.34)**	**0.20**	**(0.14)**	**(0.04)**	**0.47**
Total Comprehensive Income for the year	**324.32**	**237.67**	**246.78**	**104.71**	**75.42**
Profit after Tax attributable to:					
Owners of the Company	**324.65**	237.46	246.91	104.74	74.95
Non-controlling Interest	**0.01**	0.01	0.01	0.01	(0.00)
Other Comprehensive Income attributable to:					
Owners of the Company	**(0.34)**	0.20	(0.14)	(0.04)	0.47
Non-controlling Interest	**-**	-	-	-	-
Total Comprehensive Income attributable to:					
Owners of the Company	**324.31**	237.66	246.77	104.70	75.42
Non-controlling Interest	**0.01**	0.01	0.01	0.01	(0.00)
Earnings per share (face value Rs. 5/-)					
- Basic EPS (in Rs.)	**16.50**	12.07	12.55	5.32	3.81
- Diluted EPS (in Rs.)	**16.50**	12.07	12.55	5.32	3.81

Restated Consolidated Statement of Cash Flows

(Rs. in million)

	Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017	For the year ended 31-Mar-2016 Proforma	For the year ended 31-Mar-2015 Proforma	For the year ended 31-Mar-2014 Proforma
A	**<u>Cash Flow from Operating Activities</u>**					
	Profit before Tax	**511.22**	**368.63**	**388.02**	**161.96**	**113.18**
	Adjustments for:					
	Depreciation and Amortisation Expense	**57.39**	52.23	38.29	33.36	25.58
	(Gain)/Loss in change in fair value of financial instruments	**0.04**	(0.01)	0.02	0.00	0.02
	Finance Cost	**3.47**	3.61	5.18	9.73	11.57
	Rent Income	**(2.22)**	(2.06)	(1.92)	(1.80)	(0.02)
	Interest Income	**(28.31)**	(18.15)	(8.84)	(0.29)	(0.35)
	Profit on Sale of Investments	**(17.60)**	-	-	-	-
	Loss on sale of Property, Plant and Equipment	**0.15**	1.73	0.09	0.47	0.48
	Other Income	**(1.74)**	(1.77)	(1.84)	(0.81)	(0.78)
	Operating Profit before working Capital changes	**522.38**	**404.25**	**419.01**	**202.63**	**149.66**
	Working capital adjustments:					
	Movement in trade & other payables	**134.04**	(17.09)	83.05	51.87	44.46
	Movement in trade & other receivables	**(76.49)**	43.42	(51.10)	5.41	17.03
	Movement in inventories	**(16.81)**	(31.65)	(24.94)	(7.35)	(5.56)
	Cash Generated from Operations	**563.13**	**398.92**	**426.02**	**252.55**	**205.60**
	Direct Taxes Paid and Taxes earlier years	**(136.88)**	(168.39)	(78.10)	(33.95)	(19.55)
	Net Cash Flow from Operating Activities (A)	**426.25**	**230.54**	**347.92**	**218.60**	**186.04**
B	**<u>Cash Flow from Investing Activities</u>**					
	Purchases of Property, Plant and Equipment (PPE)	**(228.92)**	(120.73)	(167.12)	(99.28)	(120.67)
	Sale proceeds from sale of PPE	**0.14**	1.29	1.94	1.53	0.35
	Sale proceeds from sale of Investments	**26.49**	-	-	-	-
	(Investment) In Fixed Deposits/Maturity	**(149.36)**	(112.46)	(203.61)	(0.21)	5.00
	Rent Received	**2.22**	2.06	1.92	1.80	0.02
	Interest Received	**28.31**	18.15	8.84	0.29	0.35
	Other Income Received	**1.74**	1.77	1.84	0.81	0.78
	Net Cash Flow from Investing Activities (B)	**(319.38)**	**(209.92)**	**(356.19)**	**(95.06)**	**(114.16)**
C	**Cash Flow from Financing Activities**					
	Proceeds/(Repayment) from Non-Current Borrowings (Net)	**(21.10)**	2.18	(33.96)	(17.76)	(0.94)
	Proceeds/(Repayment) from Current Borrowings (Net)	**-**	-	(14.46)	2.41	(12.65)
	Dividend Including Dividend Distribution Tax	**(11.69)**	(1.27)	(18.31)	(6.17)	(5.64)
	Interest Paid	**(3.47)**	(3.61)	(5.18)	(9.73)	(11.57)
	Net Cash Flow from Financing Activities (C)	**(36.26)**	**(2.70)**	**(71.91)**	**(31.24)**	**(30.80)**
	Net increase in Cash and Cash Equivalents (A+B+C)	**70.60**	**17.91**	**(80.18)**	**92.31**	**41.08**
	Cash and Cash Equivalent at the beginning of the year	**101.56**	83.65	163.83	71.52	30.44
	Less: Opening Cash and Cash Equivalent of MG Steel Limited disposed during the year 2017-18*	**0.72**	-	-	-	-
	Net Cash and Cash Equivalent at the beginning of the year	**100.84**	**83.65**	**163.83**	**71.52**	**30.44**
	Cash and Cash Equivalent at the end of the year	**171.44**	**101.56**	**83.65**	**163.83**	**71.52**

THE OFFER

Set forth below are details of the Offer.

Offer		**Up to [●] Equity Shares aggregating up to ₹ [●] million**
The Offer consists of:		
Fresh Issue[1]		Up to [●] Equity Shares aggregating up to ₹ 980.00 million
Offer for Sale[2]		Up to 3,939,000 Equity Shares aggregating up to ₹ [●] million
Of which:		
A.	**QIB Category**[3]	Not more than [●] Equity Shares
	Of which:	
(i)	Anchor Investor Portion[4]	[●] Equity Shares
(ii)	Balance available for allocation in the QIB Category (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
	Of which	
	Available for allocation to Mutual Funds only (5% of the QIB Category excluding the Anchor Investor Portion)	[●] Equity Shares
	Balance for all QIBs including Mutual Funds	[●] Equity Shares
B.	**Non-Institutional Category**[3]	Not less than [●] Equity Shares
C.	**Retail Category**[3]	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares		
	Equity Shares outstanding prior to the Offer	19,676,700 Equity Shares
	Equity Shares outstanding after the Offer	[●] Equity Shares
Use of proceeds of the Offer		For details, see "***Objects of the Offer***" on page 82. Our Company will not receive any portion of the proceeds from the Offer for Sale portion of the Offer.

(1) *The Offer has been authorised by our Board pursuant to its resolution dated June 8, 2018 and the Fresh Issue has been authorised by our shareholders pursuant to their special resolution dated July 7, 2018, under Section 62(1)(c) of the Companies Act 2013.*

(2) *The Selling Shareholders have specifically confirmed and authorised their respective participation in the Offer for Sale. For details, see "**Other Regulatory and Statutory Disclosures**" on page 328. Each of the Selling Shareholders, severally and not jointly, confirms that its portion of the Equity Shares offered in the Offer for Sale is in accordance with the SEBI ICDR Regulations and have been held for a period of at least one year prior to the date of this Draft Red Herring Prospectus.*

(3) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.*

(4) *Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to QIB Bidders, including the Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Category. For further details, see the "**Offer Procedure**" on page 350.*

Offer for Sale by the Selling Shareholders

Set forth below are the names of the Selling Shareholders participating in the Offer for Sale and details of the numbers of the Equity Shares being offered by them.

Sr. No.	Name of Selling Shareholder	Date of Consent Letter	Number of Equity Shares offered in the Offer for Sale
	Promoter Selling Shareholders		
1.	Mr. Madhu Bhushan Khurana	August 9, 2018	2,331,880
2.	Mr. Sidhartha Bhushan Khurana	August 9, 2018	294,720
	Other Selling Shareholders		
3.	Ms. Chand Khurana	August 10, 2018	648,800
4.	Mr. Ajay Leekha	July 7, 2018	50,400
5.	Mr. Sanjay Leekha jointly held with Ms. Charu Leekha	July 7, 2018	96,000
6.	Ms. Charu Leekha	July 7, 2018	120,000
7.	Mr. Sanjay Leekha	July 7, 2018	246,000
8.	Mr. Anil Kumar Chopra	July 12, 2018	18,000
9.	Mr. Praveen Chopra	July 12, 2018	18,000
10.	Ms. Naintara Mehta	July 13, 2018	7,200
11.	Mr. Harsh Deva Shanghari jointly held with Ms. Suneeta Shanghari	July 14, 2018	45,000
12.	Mr. Sunil Kumar Rastogi	July 13, 2018	18,000
13.	Ms. Shilpa Arora	July 10, 2018	45,000

Note: In terms of Rule 19(2)(b) of the SCRR, read with Regulation 41 of the SEBI ICDR Regulations the Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations. The Offer shall constitute [●]% of the post-Offer paid-up equity share capital of our Company. In case of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b) of the SCRR, our Company and the BRLMs shall first ensure Allotment of Equity Shares in the Fresh Issue, up to the extent of 90% of the Fresh Issue, followed by Allotment of Equity Shares offered by the Selling Shareholders.

Allocation to Bidders in all categories, except to Retail Individual Investors and Anchor Investors, will be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see "***Offer Procedure – Allotment Procedure and Basis of Allotment***" on page 387. Further, for details, including in relation to grounds of rejection of Bids and the details of the terms of the Offer, see "***Offer Procedure***" and "***Terms of the Offer***", respectively, on pages 350 and 345, respectively.

GENERAL INFORMATION

Our Company was incorporated as 'Studds Accessories Private Limited' on February 3, 1983 under the Companies Act 1956, with a certificate of incorporation granted by the RoC. Our Company became a deemed public limited company in terms of Section 43(A) of the Companies Act 1956 with effect from March 31, 1990 and the word 'private' was deleted from the name of our Company. Our Company subsequently got converted into a public limited company pursuant to a special resolution dated October 22, 1994 and our name was changed to 'Studds Accessories Limited'. Our certificate of incorporation was updated to reflect such conversion. For details of changes in registered office of our Company, see "***History and Certain Corporate Matters***" on page 145.

Registration Number: 015135

Corporate Identity Number: U25208HR1983PLC015135

Registered and Corporate Office

Studds Accessories Limited
23/7 Mathura Road, Ballabgarh,
Faridabad 121 004, Haryana, India
Telephone: +91 129 429 6500
Facsimile: +91 129 429 6518
Website: www.studds.com

Address of the Registrar of Companies

Our Company is registered with the RoC, located at the following address:

4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019, India

Board of Directors

The following table sets out the details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name and Designation	Age (years)	DIN	Address
Mr. Madhu Bhushan Khurana *Designation: Chairman and Managing Director*	69	00172770	House No. 1349, Sector 14, Faridabad 121 007, Haryana, India
Mr. Sidhartha Bhushan Khurana *Designation: Managing Director*	41	00172788	House No. 1349, Sector 14, Faridabad 121 007, Haryana, India
Mr. Shanker Dev Choudhry *Designation: Independent Director*	71	07094705	House No. 1075, Sector 14, Escortsnagar, Faridabad 121 007, Haryana, India
Ms. Pallavi Saluja *Designation: Independent Director*	39	07006557	C-29, South Extension, Part-1, Andrewsganj S.O., New Delhi 110 049, India
Mr. Pankaj Duhan *Designation: Independent Director*	41	08093989	322 Sector 23, Chatarpuri alias Daulatpur, Nasirabad, Gurugram 122 001, Haryana, India

For profiles and further details in respect of our Directors, see "***Our Management***" on page 150.

Chief Financial Officer

Mr. Manish Mehta is the Chief Financial Officer of our Company. His contact details are as follows:
Mr. Manish Mehta
Studds Accessories Limited
23/7 Mathura Road, Ballabgarh
Faridabad 121 004, Haryana, India
Telephone: +91 129 429 6500
Facsimile: +91 129 429 6518
E-mail: cfo@studds.com

Company Secretary and Compliance Officer

Ms. Kanika Bhutani is the Company Secretary and Compliance Officer. Her contact details are as follows:

Ms. Kanika Bhutani
Studds Accessories Limited
23/7 Mathura Road, Ballabgarh
Faridabad 121 004, Haryana, India
Telephone: +91 129 429 6500
Facsimile: +91 129 429 6518
E-mail: secretarial@studds.com

Investor grievances

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of refunds by electronic mode or unblocking of ASBA accounts etc.

All grievances, other than those of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, the ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of ASBA Form and the name and address of the relevant Designated Intermediary(ies) where the ASBA Form was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary(ies) in addition to the documents or information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

Edelweiss Financial Services Limited 14th Floor, Edelweiss House Off C S T Road, Kalina Mumbai 400 098, Maharashtra, India **Telephone:** +91 22 4009 4400 **Facsimile:** +91 22 4086 3610 **E-mail:** sal.ipo@edelweissfin.com **Investor Grievance E-mail:** customerservice.mb@edelweissfin.com **Website:** www.edelweissfin.com **Contact Person:** Yashraj Shetty/ Jay Mehta **SEBI Registration No.:** INM0000010650	**IIFL Holdings Limited** 10th Floor, IIFL Centre, Kamala City Senapati Bapat Marg Lower Parel (West) Mumbai 400 013, Maharashtra, India **Telephone:** +91 22 4646 4600 **Facsimile:** +91 22 2493 1073 **E-mail:** studds.ipo@iiflcap.com **Investor Grievance E-mail:** ig.ib@iiflcap.com **Website:** www.iiflcap.com **Contact Person:** Rajshekhar Swamy/ Aditya Agarwal **SEBI Registration No.:** INM000010940

Statement of inter-se allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

Sr. No.	Activities	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, allocation between primary and secondary, etc.	Edelweiss, IIFL	Edelweiss
2.	Pre-Issue due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the DRHP, RHP and Prospectus. Ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of RHP, Prospectus and RoC filing of the same, follow up and coordination till final approval from all regulatory authorities	Edelweiss, IIFL	Edelweiss
3.	Drafting and approval of statutory advertisements	Edelweiss, IIFL	Edelweiss
4.	Drafting and approval of other publicity material including non-statutory advertisement, corporate advertisement, brochure, etc. and filing of media compliance report with SEBI	Edelweiss, IIFL	IIFL
5.	Appointment of all other intermediaries (e.g. Registrar(s), Printer(s), Monitoring Agency and Banker(s) to the Issue, Advertising agency etc.) including coordinating all agreements to be entered with such parties	Edelweiss, IIFL	IIFL
6.	International Institutional Marketing of the Issue, which will cover, inter alia: • International Institutional Marketing strategy • Finalizing the list for division of investors for meetings and • Finalizing international road show and investor meeting schedules	Edelweiss, IIFL	Edelweiss
7.	Preparation of road show presentation and FAQs	Edelweiss, IIFL	Edelweiss
8.	Domestic Institutional Marketing of the Issue, which will cover, inter alia: • Domestic Institutional Marketing strategy • Finalizing the list for division of investors for meetings • Finalizing domestic road show schedules and investor meeting schedules	Edelweiss, IIFL	IIFL
9.	Non-institutional marketing of the Issue which will cover, inter alia, formulating marketing strategies for Non-institutional Investors	Edelweiss, IIFL	IIFL
10.	Retail Marketing of the Issue, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget • Finalizing Media and PR strategy • Finalizing centres for holding conferences for press and brokers etc. • Finalizing collection centres; and • Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material	Edelweiss, IIFL	Edelweiss
11.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders	Edelweiss, IIFL	IIFL
12.	Coordination with Stock-Exchanges for book building software, bidding terminals, mock trading and intimation to stock exchanges for anchor portion etc. and deposit of 1% security deposit	Edelweiss, IIFL	IIFL
13.	Post-issue activities, management of escrow accounts, finalization of the basis of allotment based on technical rejections, Basis Advertisement, listing of instruments, demat credit and refunds/ unblocking of funds, payment of the applicable STT, coordination with SEBI and Stock Exchanges for refund of 1% security deposit and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, SCSBs, including responsibility for execution of underwriting arrangements, as applicable	Edelweiss, IIFL	IIFL

Syndicate Members

[●]

Legal Counsel to the Company and the Promoter Selling Shareholders as to Indian law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase – III
New Delhi 110 020, India
Telephone: +91 11 4159 0700

Facsimile: +91 11 2692 4900
Legal Counsel to the BRLMs as to Indian law

J. Sagar Associates
Vakils House 18
Sprott Road, Ballard Estate
Mumbai 400 001, Maharashtra, India
Telephone: +91 4341 8600
Facsimile: +91 4341 8617

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg, Vikhroli (West)
Mumbai 400 083, Maharashtra, India
Telephone: +91 22 4918 6200
Facsimile: +91 22 4918 6195
E-mail: studds.ipo@linkintime.co.in
Investor Grievance E-mail: studds.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Banker(s) to the Offer/ Anchor Escrow Bank

[●]

Refund Bank

[●]

Self Certified Syndicate Banks

The list of SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the website of the SEBI, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/sub-Syndicate or through a Registered Broker, CRTA or CDP, may submit the Bid cum Application Forms is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the website of the SEBI, or at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the members of Syndicate at Specified Locations, see the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35).

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Auditors to our Company

Rajan Chhabra & Co., Chartered Accountants
F-29, Eldeco Station 1 Mall Sector 12
Faridabad, Haryana, India
Telephone: +91 129 401 8089
Facsimile: N.A.
E-mail: rajan@rajanchhabra.com
Website: www.rajanchhabra.com
ICAI Firm Registration Number: 009520N
Peer Review No.: 009287

Banker to our Company

HDFC Bank Limited
SCO-6, Shopping Centre, Huda Market
Sector 16, Faridabad 121 001, Haryana, India
Telephone: +91 97161 89240/ +91 93106 73856/ +91 93126 90674
Facsimile: NA
E-mail: shalabh.maheshwari@hdfc.com/Rajeev.mahajan@hdfc.com/ venkatasatyanarayana.nimmala@hdfc.com
Website: www.hdfcbank.com
Contact Person: Shalabh Maheshwari/ Rajeev Mahajan/ Venkata Satyanarayana Nimmala

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Monitoring Agency

Since the size of the Fresh Issue is less than ₹ 1,000 million, in terms of Regulation 16(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Offer.

Expert

Except as stated below, our Company has not obtained any expert opinion.

(i) Our Company has received a written consent from the Auditors, to include their name in this Draft Red Herring Prospectus as required under Sections 26(1)(a)(v) and 26(5) of the Companies Act 2013 and as "expert", as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as Statutory Auditors and in respect of their examination reports dated August 18, 2018 on our Restated Financial Statements and the Statement of Tax Benefits dated August 20, 2018 included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under U.S. Securities Act.

(ii) Our Company has received a written consent from Pawan Kumar Nagpal, registered chartered engineer, to include his name, in this Draft Red Herring Prospectus as an "expert" in terms of the Companies Act 2013, in respect of the report on the estimated cost of the land, building and civil works and plant and machinery to be installed at our Manufacturing Facility III and Manufacturing Facility IV and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Trustees
As the Offer is of Equity Shares, the appointment of trustees is not required.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, and advertised in [●] (a widely circulated English national daily newspaper) and [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of the place where our Registered and Corporate Office is located), at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their website. The Offer Price shall be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date.

All Bidders (except Anchor Investors) are mandatorily required to participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except in relation to Retail Individual Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For further details on method and process of Bidding, see **"*Offer Structure*"** on page 342.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Investors should note the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Offer, and does not illustrate bidding by Anchor Investors)

Bidders can Bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the bid period. The illustrative book as shown below indicates the demand for the equity shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24.00	500	16.67%
1,000	23.00	1,500	50.00%
1,500	22.00	3,000	100.00%
2,000	21.00	5,000	166.67%
2,500	20.00	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, will finalise the Offer Price at or below such cut-off, i.e., at or below ₹ 22.00. All bids at or above the Offer Price and cut-off price are valid bids and are considered for allocation in the respective categories.

Underwriting Agreement

After the determination of the Offer Price but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, each of the BRLMs will be severally responsible for bringing in the amount devolved, in the event any of their respective Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC

Name, address, telephone, fax and e-mail of the Underwriters	**Indicative Number of Equity Shares to be Underwritten**	**Amount Underwritten** ***(₹ in million)***
[●]	[●]	[●]
[●]	[●]	[●]

The above mentioned amounts are provided for indicative purposes only and would be finalised after the pricing and actual allocation of Equity Shares and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions/ purchasers for/subscribe to/ purchase Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The underwriting arrangement mentioned above shall not apply to subscription by the Bidders in the Offer, except for Bids procured by any member of the Syndicate

CAPITAL STRUCTURE

Set forth below is the share capital of our Company as on the date of this Draft Red Herring Prospectus.

	Particulars	Aggregate nominal value (in ₹)	Aggregate value at Offer Price^ (in ₹)
A)	**AUTHORISED SHARE CAPITAL***		
	50,000,000 Equity Shares	250,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	19,676,700 Equity Shares^^	98,383,500	
C)	**PRESENT OFFER IN TERMS OF THE DRAFT RED HERRING PROSPECTUS****		
	Offer of up to [●] Equity Shares aggregating up to ₹ [●] million	[●]	[●]
	Of which		
	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 980.00 million	[●]	[●]
	Offer for Sale of up to 3,939,000 Equity Shares aggregating up to ₹ [●] million	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER^**		
	[●] Equity Shares of [●] each	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		Nil
	After the Offer		[●]

* *For details of the changes in the authorised share capital of our Company, see "**History and Certain Corporate Matters – Amendments to our Memorandum of Association**" on page 146.*

** *The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on June 8, 2018 and the Fresh Issue has been authorised by our shareholders pursuant to a special resolution passed at the annual general meeting held on July 7, 2018. The Selling Shareholders have specifically confirmed and authorised their respective participation in the Offer for Sale. For details see "**Other Regulatory and Statutory Disclosures**" on page 328.*

^*To be updated on the finalisation of the Offer Price.*

^^*The shareholders' resolution dated July 25, 1991 authorised the issuance of 400,000 equity shares. However, 126,850 equity shares of our Company remained unsubscribed. Subsequently, our Board, pursuant to its meetings dated March 20, 1996 and June 8, 2018, has accorded the cancellation of 20,000 and 106,850 equity shares, respectively, forming part of the issued share capital of our Company.*

Notes to Capital Structure

1. Share Capital History

(a) History of Equity Share capital of our Company

The following table sets forth the history of the equity share capital of our Company.

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
March 1, 1983	20	100.00	100.00	Cash	Subscription to the MoA (1)	20	2,000
March 12, 1984	780	100.00	100.00	Cash	Further issue (2)	800	80,000
November 9, 1984	180#	100.00	100.00	Cash	Further issue(3)	980	98,000
June 30, 1986	1,020	100.00	100.00	Cash	Further issue (4)	2,000	200,000
June 27, 1987	600	100.00	100.00	Cash	Further issue (5)	2,600	260,000
June 28, 1990	2,400#	100.00	100.00	Cash	Preferential allotment (6)	5,000	500,000

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
July 2, 1991	5,000#	100.00	N.A	N.A	Bonus issue (7)	10,000	1,000,000
October 18, 1993	10,000#	100.00	100.00	Cash	Preferential allotment (8)	20,000	2,000,000
Pursuant to a shareholders' resolution dated September 26, 1994, each equity share of our Company of face value of ₹ 100.00 each was split into 10 equity shares of ₹ 10.00 each, therefore 20,000 equity shares of ₹ 100.00 each were split into 200,000 equity shares of ₹ 10 each							
September 27, 1994	200,000	10.00	N.A	N.A	Bonus issue (9)	400,000	4,000,000
July 5, 1995	200,000	10.00	N.A	N.A	Bonus issue (10)	600,000	6,000,000
December 1, 1995	120,000#	10.00	10.00	Cash	Rights issue (11)	720,000	7,200,000
December 1, 1995	100,000#	10.00	10.00	Cash	Preferential allotment (12)	820,000	8,200,000
December 1, 1995*	203,650#	10.00	35.00	Cash	Preferential allotment (13)	1,023,650	10,236,500
March 20, 1996*	51,000	10.00	35.00	Cash	Preferential allotment (14)	1,074,650	10,746,500
September 28, 1996	18,500	10.00	35.00	Cash	Preferential allotment (15)	1,093,150	10,931,500
Issue of Equity Shares in the preceding one year							
Pursuant to a shareholders' resolution dated July 7, 2018 each equity share of our Company of face value of ₹ 10.00 each was split into two equity shares of ₹ 5.00 each, therefore, 1,093,150 equity shares of ₹ 10.00 each were split into 2,186,300 Equity Shares							
July 16, 2018	17,490,400	5.00	N.A.	N.A	Bonus Issue (16)	19,676,700	98,383,500

Holders of Equity Shares allotted pursuant to these allotments ("Stated Shares**") were provided an exit opportunity in accordance with the process as set forth in the SEBI circulars - CIR/CFD/DIL3/18/2015 and CFD/DIL3/CIR/P/2016/53 dated December 31, 2015 and May 3, 2016 respectively. For further details, please see "**Risk Factors – We have made certain issuances and allotments of our equity shares which are not in compliance with section 67(3) of the Companies Act 1956**." on page 17.*

#*Our Company does not have access to certain corporate records in relation to this allotment. For further details, see "**Risk Factors – Some of our corporate records are not traceable**" on page 33.*

(1) *Initial subscription to the MoA by Madhu Bhushan Khurana and Vimal Khurana for 10 equity shares each of ₹ 100 each*

(2) *Allotment of 100 equity shares ₹ 100 each to Madhu Bhushan Khurana, 30 equity shares of ₹ 100 each to Pammi Mehra, 50 equity shares of ₹ 100 each to Sunita Shanghari, 50 equity shares of ₹ 100 each to H.D. Shanghari, 50 equity shares of ₹ 100 each to Suresh Sood, 10 equity shares of ₹ 100 each to Bhushan Kumar, 50 equity shares of ₹ 100 each to H.L Leekha, 50 equity shares of ₹ 100 each to Dewan Chand, 50 equity shares of ₹ 100 each to Alok Mathur, 10 equity shares of ₹ 100 each to Mahendra Pratap, 50 equity shares of ₹ 100 each to Sushma Vij, 30 equity shares of ₹ 100 each to Raj Bilani, 200 equity shares of ₹ 100 each to Sanjay Leekha and 50 equity shares of ₹ 100 each to Charu Leekha.*

(3) *Allotment of 90 equity shares of ₹ 100 each to Madhu Bhushan Khurana and 90 equity shares of ₹ 100 each to Vimal Khurana*

(4) *Allotment of 600 equity shares of ₹ 100 each to Madhu Bhushan Khurana, 100 equity shares of ₹ 100 each to Chand Khurana and 320 equity shares of ₹ 100 each to Ravi Bhushan Khurana*

(5) *Allotment of 600 equity shares of ₹ 100 each to Madhu Bhushan Khurana*

(6) *Allotment of 1,100 equity shares of ₹ 100 each to Madhu Bhushan Khurana, 800 equity shares of ₹ 100 each to Vimal Khurana, 250 equity of ₹ 100 each shares to Gaurav Khurana and 250 equity shares of ₹ 100 each to Sidhartha Bhushan Khurana*

(7) *Allotment of 2,500 equity shares of ₹ 100 each to Madhu Bhushan Khurana, 1,220 equity shares of ₹ 100 each to Vimal Khurana, 30 equity shares of ₹ 100 each to M.L Mehra, 50 equity shares of ₹ 100 each to Sunita Shanghari, 50 equity shares of ₹ 100 each to H.D. Shanghari, 40 equity shares of ₹ 100 each to Suresh Sood, 10 equity shares of ₹ 100 each to Bhushan Kumar, 50 equity shares of ₹ 100 each to H.L Leekha, 50 equity shares of ₹ 100 each to Dewan Chand, 50 equity shares of ₹ 100 each to Alok Mathur, 10 equity shares of ₹ 100 each to Mahendra Pratap, 50 equity shares of ₹ 100 each to Sushma Vij, 30 equity shares of ₹ 100 each to Raj Bilaney, 100 equity shares of ₹ 100 each to Sanjay Leekha, 150 equity shares of ₹ 100 each to Charu Leekha, 10 equity shares of ₹ 100 each to M/s Studds Electricals (Private) Limited, 100 equity shares of ₹ 100 each to Chand Khurana, 250 equity shares of ₹ 100 each to Sidhartha Bhushan Khurana and 250 equity shares of ₹ 100 each to Gaurav Khurana.*

(8) *Allotment of 5,000 equity shares of ₹ 100 each to Madhu Bhushan Khurana and 5,000 equity shares of ₹ 100 each to Ravi Bhushan Khurana*

(9) *Allotment of 100,000 equity shares of ₹ 10 each to Madhu Bhushan Khurana, 24,400 equity shares of ₹ 10 each to Vimal Khurana, 600 equity shares of ₹ 10 each to M.L Mehra, 1,000 equity shares of ₹ 10 each to Sunita Shanghari, 1,000 equity shares of ₹ 10 each to H.D. Shanghari, 800 equity shares of ₹ 10 each to Suresh Sood, 200 equity shares of ₹ 10 each to Bhushan Kumar, 1,000 equity shares of ₹ 10 each to H.L Leekha, 1,000 equity shares of ₹ 10 each to Dewan Chand, 1,000 equity shares of ₹ 10 each to Alok*

Mathur, 200 equity shares of ₹ 10 each to Mahendra Pratap 1,000 equity shares of ₹ 10 each to Sushma Vij, 600 equity shares of ₹ 10 each to Raj Bilaney, 2,000 equity shares of ₹ 10 each to Sanjay Leekha, 3,000 equity shares of ₹ 10 each to Charu Leekha 2,000 equity shares of ₹ 10 each to Chand Khurana, 200 equity shares of ₹ 10 each to M/s Studds Electricals Private Limited, 5,000 equity shares of ₹ 10 each to Sidhartha Bhushan Khurana, 5,000 equity shares of ₹ 10 each to Gaurav Khurana and 50,000 equity shares of ₹ 10 each to Ravi Bhushan Khurana

(10) *Allotment of 100,000 equity shares of ₹ 10 each to Madhu Bhushan Khurana, 24,400 equity shares of ₹ 10 each to Vimal Khurana, 600 equity shares of ₹ 10 each to M.L Mehra, 1,000 equity shares of ₹ 10 each to Sunita Shanghari, 1,000 equity shares of ₹ 10 each to H.D Shanghari, 800 equity shares of ₹ 10 each to Suresh Sood, 200 equity shares of ₹ 10 each to Bhushan Kumar, 1,000 equity shares of ₹ 10 each to H.L Leekha, 1,000 equity shares of ₹ 10 each to Dewan Chand, 1,000 equity shares of ₹ 10 each to Alok Mathur, 200 equity shares of ₹ 10 each to Mahendra Pratap 1,000 equity shares of ₹ 10 each to Sushma Vij, 600 equity shares of ₹ 10 each to Raj Bailaney, 2,000 equity shares of ₹ 10 each to Sanjay Leekha, 3,000 equity shares of ₹ 10 each to Charu Leekha, 2,000 equity shares of ₹ 10 each to Chand Khurana, 200 equity shares of ₹ 10 each to M/s Studds Electricals Private Limited, 5,000 equity shares of ₹ 10 each to Sidhartha Bhushan Khurana, 5,000 equity shares of ₹ 10 each to Gaurav Khurana and 50,000 equity shares of ₹ 10 each to Ravi Bhushan Khurana*

(11) *Allotment of 120,000 equity shares of ₹ 10 each to the existing shareholders of our Company*

(12) *Allotment of 100,000 equity shares of ₹ 10 each to Studds Limited*

(13) *Allotment of 203,650 equity shares of ₹ 10 each to 211 allottees*

(14) *Allotment of 51,000 equity shares of ₹ 10 each to 71 allottees*

(15) *Allotment of 15,000 equity shares of ₹ 10 each to Sanjay Leekha, 500 equity shares of ₹ 10 each to Surender Pal Gulati, 1,000 equity shares of ₹ 10 each to M/s Alliance Automotives Private Limited, 1,000 equity shares of ₹ 10 each to Raj Kumar Karamlaputi, 500 equity shares of ₹ 10 each to Mukesh Kumar Hemnani and 500 equity shares of ₹ 10 each to Sony A Sadhija*

(16) *Bonus issuance to all existing shareholders of our Company*

2. Equity Shares issued for consideration other than cash or bonus or out of revaluation reserves

Our Company has not issued any Equity Shares for consideration other than cash or bonus at any time since incorporation except as set forth below. Further, none of the issuance of equity shares through a bonus issue is out of revaluation reserve.

Date of allotment	Number of equity shares	Face value (₹)	Issue price	Reasons for the allotment	Benefits accrued to our Company
July 2, 1991(1)	5,000	100.00	N.A	Bonus issue	N.A.
September 27, 1994(2)	200,000	10.00			
July 5, 1995(3)	200,000	10.00			
July 16, 2018(4)	17,490,400	5.00			

(1) *Allotment of 2,500 equity shares of ₹ 100 each to Madhu Bhushan Khurana, 1,220 equity shares of ₹ 100 each to Vimal Khurana, 30 equity shares of ₹ 100 each to M.L Mehra, 50 equity shares of ₹ 100 each to Sunita Shanghari, 50 equity shares of ₹ 100 each to H.D. Shanghari, 40 equity shares of ₹ 100 each to Suresh Sood, 10 equity shares of ₹ 100 each to Bhushan Kumar, 50 equity shares of ₹ 100 each to H.L Leekha, 50 equity shares of ₹ 100 each to Dewan Chand, 50 equity shares of ₹ 100 each to Alok Mathur, 10 equity shares of ₹ 100 each to Mahendra Pratap, 50 equity shares of ₹ 100 each to Sushma Vij, 30 equity shares of ₹ 100 each to Raj Bilaney, 100 equity shares of ₹ 100 each to Sanjay Leekha, 150 equity shares of ₹ 100 each to Charu Leekha, 10 equity shares of ₹ 100 each to M/s Studds Electricals (Private) Limited, 100 equity shares of ₹ 100 each to Chand Khurana, 250 equity shares of ₹ 100 each to Sidhartha Bhushan Khurana and 250 equity shares of ₹ 100 each to Gaurav Khurana*

(2) *Allotment of 100,000 equity shares of ₹ 10 each to Madhu Bhushan Khurana, 24,400 equity shares of ₹ 10 each to Vimal Khurana, 600 equity shares of ₹ 10 each to M.L Mehra, 1,000 equity shares of ₹ 10 each to Sunita Shanghari, 1,000 equity shares of ₹ 10 each to H.D. Shanghari, 800 equity shares of ₹ 10 each to Suresh Sood, 200 equity shares of ₹ 10 each to Bhushan Kumar, 1,000 equity shares of ₹ 10 each to H.L Leekha, 1,000 equity shares of ₹ 10 each to Dewan Chand, 1,000 equity shares of ₹ 10 each to Alok Mathur, 200 equity shares of ₹ 10 each to Mahendra Pratap 1,000 equity shares of ₹ 10 each to Sushma Vij, 600 equity shares of ₹ 10 each to Raj Bilaney, 2,000 equity shares of ₹ 10 each to Sanjay Leekha, 3,000 equity shares of ₹ 10 each to Charu Leekha 2,000 equity shares of ₹ 10 each to Chand Khurana, 200 equity shares of ₹ 10 each to M/s Studds Electricals Private Limited, 5,000 equity shares of ₹ 10 each to Sidhartha Bhushan Khurana, 5,000 equity shares of ₹ 10 each to Gaurav Khurana and 50,000 equity shares of ₹ 10 each to Ravi Bhushan Khurana*

(3) *Allotment of 100,000 equity shares of ₹ 10 each to Madhu Bhushan Khurana, 24,400 equity shares of ₹ 10 each to Vimal Khurana, 600 equity shares of ₹ 10 each to M.L Mehra, 1,000 equity shares of ₹ 10 each to Sunita Shanghari, 1,000 equity shares of ₹ 10 each to H.D Shanghari, 800 equity shares of ₹ 10 each to Suresh Sood, 200 equity shares of ₹ 10 each to Bhushan Kumar, 1,000 equity shares of ₹ 10 each to H.L Leekha, 1,000 equity shares of ₹ 10 each to Dewan Chand, 1,000 equity shares of ₹ 10 each to Alok Mathur, 200 equity shares of ₹ 10 each to Mahendra Pratap 1,000 equity shares of ₹ 10 each to Sushma Vij, 600 equity shares of ₹ 10 each to Raj Bailaney, 2,000 equity shares of ₹ 10 each to Sanjay Leekha, 3,000 equity shares of ₹ 10 each to Charu Leekha, 2,000 equity shares of ₹ 10 each to Chand Khurana, 200 equity shares of ₹ 10 each to M/s Studds Electricals Private Limited, 5,000 equity shares of ₹ 10 each to Sidhartha Bhushan Khurana, 5,000 equity shares of ₹ 10 each to Gaurav Khurana and 50,000 equity shares of ₹ 10 each to Ravi Bhushan Khurana*

(4) *Bonus issuance to all existing shareholders of our Company*

3. Issue of Equity Shares in the last one year at a price lower than the Offer Price

Our Company has not issued Equity Shares in one year immediately preceding the date of this Draft Red Herring Prospectus, at a price which may be lower than the Offer Price.

4. *History of Build-up, Contribution and Lock-in of Promoters' Shareholding*

(a) Build-up of Promoters' shareholding in our Company

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 13,707,360 Equity Shares, which constitutes 69.66% of the issued, subscribed and paid-up pre-Offer equity share capital of our Company.

Set forth below is the build-up of the equity shareholding of our Promoters, since incorporation of our Company.

Date of allotment / transfer	Number of Equity Shares	Face value (₹)	Issue/ Transfer/ Selling price (₹)	Nature of consideration	Nature of allotment /details of transfer	% of pre-Offer equity share capital	% of post-Offer equity share capital
Madhu Bhushan Khurana							
March 1, 1983	10	100.00	100.00	Cash	Subscription to the Memorandum of Association	Negligible	[●]
March 12, 1984	100	100.00	100.00	Cash	Further issue	Negligible	[●]
November 9, 1984	90	100.00	100.00	Cash	Further issue	Negligible	[●]
June 30, 1986	600	100.00	100.00	Cash	Further issue	Negligible	[●]
June 27, 1987	600	100.00	100.00	Cash	Further issue	Negligible	[●]
June 28, 1990	1,100	100.00	100.00	Cash	Preferential allotment	Negligible	[●]
July 2, 1991	2,500	100.00	N.A	N.A	Bonus Issue	Negligible	[●]
October 18, 1993	5,000	100.00	100.00	Cash	Preferential allotment	Negligible	[●]
Pursuant to a shareholders' resolution dated September 26,1994, each equity share of the Company of face value of ₹ 100.00 each was split into 10 equity shares of ₹ 10.00 each							
September 27, 1994	100,000	10.00	N.A	N.A	Bonus Issue	Negligible	[●]
July 5, 1995	100,000	10.00	N.A	N.A	Bonus issue	Negligible	[●]
December 1, 1995	38,800	10.00	10.00	Cash	Rights issue	Negligible	[●]
December 1,1995	(16,000)	10.00	35.00	Cash	Transfer to Sanjay Leekha	Negligible	[●]
December 1,1995	(1,000)	10.00	32.00	Cash	Transfer to Naintara Mehta	Negligible	[●]
January 29,1999	87,840	10.00	13.00	Cash	Acquisition from Vimal Khurana	Negligible	[●]
January 29,1999	100,000	10.00	13.00	Cash	Acquisition from Studds Limited	Negligible	[●]
January 29,1999	155,900	10.00	13.00	Cash	Acquisition from Ravi Bhushan Khurana	Negligible	[●]
January 29,1999	18,000	10.00	13.00	Cash	Acquisition from Gaurav Khurana	Negligible	[●]
February 23,1999	(40,000)	10.00	10.00	Cash	Transfer to Sidhartha Bhushan Khurana	Negligible	[●]
February 23,1999	(60,000)	10.00	10.00	Cash	Transfer to Chand Khurana	Negligible	[●]

Date of allotment / transfer	Number of Equity Shares	Face value (₹)	Issue/ Transfer/ Selling price (₹)	Nature of consideration	Nature of allotment /details of transfer	% of pre-Offer equity share capital	% of post-Offer equity share capital
May 6,2000	3,000	10.00	22.00	Cash	Acquisition from Sudarshan Kumar Khanna	Negligible	[●]
August 1,2000	1,000	10.00	35.00	Cash	Acquisition from Satish Chand Gupta jointly held with Shashi Gupta	Negligible	[●]
August 1,2000	1,000	10.00	23.50	Cash	Acquisition from Parvinder Singh	Negligible	[●]
August 1,2000	1,000	10.00	23.50	Cash	Acquisition from Baljeet Singh	Negligible	[●]
August 1,2000	1,000	10.00	11.50	Cash	Acquisition from Agya Kaur and Jatinder Pal Singh	Negligible	[●]
May 5,2001	500	10.00	35.00	Cash	Acquisition from Sidhartha Gupta	Negligible	[●]
May 5,2001	500	10.00	25.00	Cash	Acquisition from Sarita Sunil Chheda jointly held with Sunil Jayantilal Chheda	Negligible	[●]
May 5, 2001	500	10.00	25.00	Cash	Acquisition from Sunil Jayantilal Chheda jointly held with Sarita Sunil Chheda	Negligible	[●]
May 5, 2001	500	10.00	25.00	Cash	Acquisition from Kasturben J Chheda	Negligible	[●]
May 5 2001	500	10.00	25.00	Cash	Acquisition from Maya Bhowmik	Negligible	[●]
August 25, 2001	1,000	10.00	25.00	Cash	Acquisition from Sandeep jointly held with S.K. Sakhuja	Negligible	[●]
August 25, 2001	2,000	10.00	25.00	Cash	Acquisition from Kanchan Ramanjula Reddy	Negligible	[●]
August 25, 2001	500	10.00	35.00	Cash	Acquisition from Archana Gupta	Negligible	[●]
August 25, 2001	1,000	10.00	25.00	Cash	Acquisition from Rakhee jointly with S.K. Sakhuja	Negligible	[●]
August 25, 2001	1,000	10.00	25.00	Cash	Acquisition from Brij Mohan Doot	Negligible	[●]
August 25 2001	1,000	10.00	10.00	Cash	Acquisition from Lajja Malhotra jointly held with Rajesh Malhotra	Negligible	[●]
September 3, 2002	1,000	10.00	25.00	Cash	Acquisition from Bhupinder Singh Chhabra	Negligible	[●]
March 4, 2002	1,000	10.00	38.00	Cash	Acquisition from VK Kapoor	Negligible	[●]
March 4, 2002	1,000	10.00	25.00	Cash	Acquisition from Jasminder Singh Narang jointly with Darshan Singh Matta	Negligible	[●]

Date of allotment / transfer	Number of Equity Shares	Face value (₹)	Issue/ Transfer/ Selling price (₹)	Nature of consideration	Nature of allotment /details of transfer	% of pre-Offer equity share capital	% of post-Offer equity share capital
September 3, 2002	1,000	10.00	25.00	Cash	Acquisition from Bhupinder Singh Chhabra	Negligible	[●]
November 18, 2002	1,000	10.00	25.00	Cash	Acquisition from Bhupinder Singh Chhabra	Negligible	[●]
September 1, 2003	1,000	10.00	26.00	Cash	Acquisition from Bhupinder Kaur Sethi	Negligible	[●]
August 16, 2004	1,000	10.00	32.00	Cash	Acquisition from Sunil Kumar Pratap Rai Upadhyay jointly held with Rajesh Kumar Rai Upadhyay	Negligible	[●]
August 16, 2004	1,000	10.00	35.00	Cash	Acquisition from Krishan Nagpal jointly held with Parul Nagpal	Negligible	[●]
April 23, 2005	1,000	10.00	32.50	Cash	Acquisition from Adarsh Kumar jointly with Vani Agarwal	Negligible	[●]
April 23, 2005	1,000	10.00	32.50	Cash	Acquisition from Vivek Kumar and Amar Kumar	Negligible	[●]
April 23, 2005	1,000	10.00	32.50	Cash	Acquisition from Asha Rani and Amar Kumar	Negligible	[●]
April 23, 2005	1,000	10.00	32.50	Cash	Acquisition from Amar Kumar and Asha Rani	Negligible	[●]
March 24, 2006	1,000	10.00	37.00	Cash	Acquisition from Anant Kumar Agarwal	Negligible	[●]
April 5, 2010	500	10.00	37.00	Cash	Acquisition from Harpal Singh	Negligible	[●]
January 11, 2011	1,000	10.00	43.00	Cash	Acquisition from Mukesh Naraindas Ashar	Negligible	[●]
November 9, 2013	1,000	10.00	65.00	Cash	Acquisition from Gurvinder Singh	Negligible	[●]
January 22, 2014	500	10.00	65.00	Cash	Acquisition from Arunagiri Bhadra Setty Kumar	Negligible	[●]
February 11, 2014	1,000	10.00	65.00	Cash	Acquisition from Anil Kumar Hanslas	Negligible	[●]
September 18, 2015	500	10.00	80.00	Cash	Acquisition from Usha Dua	Negligible	[●]
July 18, 2016	(17,700)	10.00	Nil	-	Transfer (gift) to Sidhartha Bhushan Khurana	Negligible	[●]
July 18, 2017	1,720	10.00	400.00	Cash	Acquisition from Bhushan Kumar	Negligible	[●]
July 18, 2017	(5,000)	10.00	Nil	-	Transfer (gift) to Sidhartha Bhushan Khurana	Negligible	[●]

Date of allotment / transfer	Number of Equity Shares	Face value (₹)	Issue/ Transfer/ Selling price (₹)	Nature of consideration	Nature of allotment /details of transfer	% of pre-Offer equity share capital	% of post-Offer equity share capital
November 2, 2017	1,000	10.00	1,300.00	Cash	Acquisition from Swaran Khurana	Negligible	[●]
December 7, 2017	500	10.00	900.00	Cash	Acquisition from Tamanna Gulati	Negligible	[●]
December 26, 2017	3,000	10.00	3,000.00	Cash	Acquisition from Jugal Kishore Arora	Negligible	[●]
January 6, 2018	1,000	10.00	2,950.00	Cash	Acquisition from Ram Lal Jaiswal	Negligible	[●]
January 6, 2018	1,000	10.00	2,400.00	Cash	Acquisition from Firdause Rab	Negligible	[●]
January 6, 2018	1,000	10.00	2,500.00	Cash	Acquisition from Satish Juneja	Negligible	[●]
January 16, 2018	500	10.00	2,300.00	Cash	Acquisition from Dinesh Kumar Gupta	Negligible	[●]
March 8, 2018	600	10.00	3,000.00	Cash	Acquisition from Sanjay Leekha and Charu Leekha	Negligible	[●]
April 9, 2018	500	10.00	3,000.00	Cash	Acquisition from Subramanya Chari Kancherla	Negligible	[●]
Pursuant to a shareholders' resolution dated July 7, 2018 each equity share of the Company of face value of ₹ 10 each was split into two equity shares of ₹ 5 each							
July 16, 2018	9,682,560	5.00	N.A.	N.A.	Bonus issue	49.21	[●]
Total	10,892,880					55.36	[●]
Sidhartha Bhushan Khurana							
June 28, 1990	250	100.00	100.00	Cash	Preferential allotment	Negligible	[●]
July 2, 1991	250	100.00	N.A.	N.A.	Bonus Issue	Negligible	[●]
Pursuant to a shareholders' resolution dated September 26,1994, each equity share of the Company of face value of ₹ 100.00 each was split into 10 equity shares of ₹ 10.00 each							
September 27, 1994	5,000	10.00	N.A	N.A	Bonus Issue	Negligible	[●]
July 5, 1995	5,000	10.00	N.A	N.A	Bonus issue	Negligible	[●]
December 1, 1995	15,000	10.00	10.00	Cash	Rights issue	Negligible	[●]
January 29, 1999	4,500	10.00	13.00	Cash	Acquisition from Ravi Bhushan Khurana	Negligible	[●]
February 23, 1999	40,000	10.00	10.00	Cash	Acquisition from Madhu Bhushan Khurana	Negligible	[●]
August 25, 2001	500	10.00	29.00	Cash	Acquisition from Arunjit Kaur Kohli	Negligible	[●]
March 4, 2002	1,000	10.00	35.00	Cash	Acquisition from Sunita Gupta and Rajiv Gupta	Negligible	[●]
March 4, 2002	500	10.00	35.00	Cash	Acquisition from Surbhi Gupta and Jitendra Kumar	Negligible	[●]

Date of allotment / transfer	Number of Equity Shares	Face value (₹)	Issue/ Transfer/ Selling price (₹)	Nature of consideration	Nature of allotment /details of transfer	% of pre-Offer equity share capital	% of post-Offer equity share capital
August 16, 2004	1,000	10.00	27.50	Cash	Acquisition from Krishan Rathi jointly held with Shravan Rathi	Negligible	[●]
January 2, 2006	1,000	10.00	38.00	Cash	Acquisition from Darshana Goel jointly held with Bhamma Nand Goel	Negligible	[●]
February 19, 2006	2,160	10.00	37.00	Cash	Acquisition from Vikas Mehra	Negligible	[●]
June 15, 2006	1,000	10.00	38.00	Cash	Acquisition from Amyn Alibhai Premji jointly held with Noorunissa Karim Premji	Negligible	[●]
Septembe r 6, 2006	500	10.00	32.00	Cash	Acquisition from Vineet Kumar Jaiswal	Negligible	[●]
Septembe r 29, 2006	1,000	10.00	35.00	Cash	Acquisition from Sunil Khurana	Negligible	[●]
Decembe r 26, 2006	1,000	10.00	35.00	Cash	Acquisition from Rajni Khurana	Negligible	[●]
March 5, 2007	1,500	10.00	35.00	Cash	Acquisition from Manju Meharia	Negligible	[●]
August 8, 2007	1,000	10.00	36.00	Cash	Acquisition from Bhagirath Kumar and Karmendra Kumar	Negligible	[●]
October 4, 2007	1,000	10.00	36.00	Cash	Acquisition from Himanshu Dwivedi	Negligible	[●]
October 10, 2007	1,000	10.00	36.00	Cash	Acquisition from Dheeraj Parashar	Negligible	[●]
Novembe r 23, 2007	1,000	10.00	35.00	Cash	Acquisition from Ahmed Farishta	Negligible	[●]
January 15, 2008	500	10.00	42.00	Cash	Acquisition from Swaran Sachdev joinly held with Rajendra Sachdev	Negligible	[●]
January 15, 2008	1,000	10.00	42.00	Cash	Acquisition from Ranjeeka Sachdeva jointly held with Rajendra Sachdev	Negligible	[●]
January 15, 2008	500	10.00	42.00	Cash	Acquisition from Rajendra Sachdev jointly with Vivek Sachdev	Negligible	[●]
January 15, 2008	500	10.00	42.00	Cash	Acquisition from Rajendra Sachdev jointly held with Vivek Sachdev	Negligible	[●]
March 20, 2008	1,000	10.00	41.00	Cash	Acquisition from Ramesh Dave	Negligible	[●]
March 26, 2008	1,000	10.00	45.00	Cash	Acquisition from Surender Kumar Khandelwal	Negligible	[●]
July 19, 2008	1,000	10.00	42.00	Cash	Acquisition from Neerja Mehta	Negligible	[●]

Date of allotment / transfer	Number of Equity Shares	Face value (₹)	Issue/ Transfer/ Selling price (₹)	Nature of consideration	Nature of allotment /details of transfer	% of pre-Offer equity share capital	% of post-Offer equity share capital
March 24, 2009	1,000	10.00	40.00	Cash	Acquisition from Harish Kumar	Negligible	[●]
December 15, 2009	500	10.00	43.00	Cash	Acquisition from Gautam Shiva	Negligible	[●]
January 25, 2010	1,000	10.00	45.00	Cash	Acquisition from M/s Alliance Automotives Private Limited	Negligible	[●]
May 28, 2010	500	10.00	50.00	Cash	Acquisition from Ashok Kumar Agarwal	Negligible	[●]
January 25, 2010	1,000	10.00	40.00	Cash	Acquisition from Ajay Kumar Singh	Negligible	[●]
February 13, 2010	1,000	10.00	38.00	Cash	Acquisition from Anil Kumar	Negligible	[●]
February 13, 2010	1,000	10.00	42.00	Cash	Acquisition from Geeta Goel	Negligible	[●]
February 13, 2010	500	10.00	42.00	Cash	Acquisition from Satish Chandra Agarwal and Madan Lal Agarwal	Negligible	[●]
February 15, 2010	500	10.00	39.00	Cash	Acquisition from Dharam Pal	Negligible	[●]
February 15, 2010	1,000	10.00	39.00	Cash	Acquisition from Rehmat Bibi M Nakeem with Khadija Bibi M Farooq Hakam	Negligible	[●]
February 15, 2010	500	10.00	39.00	Cash	Acquisition from Raj Rani	Negligible	[●]
February 15, 2010	1,000	10.00	38.00	Cash	Acquisition from Rachana Kejriwal and Prabhat Kumar Kejriwal	Negligible	[●]
February 15, 2010	1500	10.00	40.00	Cash	Acquisition from Pradip Kumar Megotia and Hem Lata Devi Megotia	Negligible	[●]
February 15, 2010	1,000	10.00	40.00	Cash	Acquisition from Meena Devi Megotia and Sanjay Kumar Megotia	Negligible	[●]
February 15, 2010	1,000	10.00	45.00	Cash	Acquisition from K. Asokan	Negligible	[●]
February 15, 2010	1,000	10.00	40.00	Cash	Acquisition from Kimple Parmar	Negligible	[●]
February 15, 2010	1,000	10.00	39.00	Cash	Acquisition from Khadija Bibi and Farooq Hakim jointly with Rehmat Bibi and M Naeem Hakeem	Negligible	[●]
February 15, 2010	1,000	10.00	40.00	Cash	Acquisition from Satya Pal Singh	Negligible	[●]
February 15, 2010	1,000	10.00	40.00	Cash	Acquisition from Hasmukh Dave	Negligible	[●]

Date of allotment / transfer	Number of Equity Shares	Face value (₹)	Issue/ Transfer/ Selling price (₹)	Nature of consideration	Nature of allotment /details of transfer	% of pre-Offer equity share capital	% of post-Offer equity share capital
February 15, 2010	500	10.00	40.00	Cash	Acquisition from Neelima Soni	Negligible	[●]
May 28, 2010	500	10.00	40.00	Cash	Acquisition from Gopal Chandra Moonka	Negligible	[●]
July 26, 2010	500	10.00	40.00	Cash	Acquisition from Anup Kumar and Dharmendra Kumar	Negligible	[●]
February 20, 2012	500	10.00	40.00	Cash	Acquisition from Ajay Kumar Pandey	Negligible	[●]
December 3, 2013	1,000	10.00	65.00	Cash	Acquisition from Nargis Madan	Negligible	[●]
September 18, 2015	1,000	10.00	75.00	Cash	Acquisition from Kashmiri Lal Narang	Negligible	[●]
December 17, 2015	1,000	10.00	80.00	Cash	Acquisition from Kuldeep Sharma	Negligible	[●]
January 27, 2016	500	10.00	80.00	Cash	Acquisition from Suresh Parashar	Negligible	[●]
February 8, 2016	1,000	10.00	90.00	Cash	Acquisition from Jigna Patel	Negligible	[●]
July 18, 2016	17,700	10.00	Nil	-	Transfer (gift) from Madhu Bhushan Khurana	Negligible	[●]
July 18, 2016	4,000	10.00	Nil	-	Transfer (gift) from Chand Khurana	Negligible	[●]
January 19, 2017	1,000	10.00	85.00	Cash	Acquisition from Rajinder Kumar	Negligible	[●]
March 27, 2017	1,000	10.00	35.00	Cash	Acquisition from Harjinder Singh	Negligible	[●]
July 18, 2017	5,000	10.00	Nil	-	Transfer (gift) from Madhu Bhushan Khurana	Negligible	[●]
August 23, 2017	1,000	10.00	380.00	Cash	Acquisition from Uma Kakar	Negligible	[●]
August 23, 2017	500	10.00	400.00	Cash	Acquisition from Ritesh Kumar Gupta	Negligible	[●]
November 2, 2017	500	10.00	2,000.00	Cash	Acquisition from Reena Thakkar	Negligible	[●]
November 2, 2017	500	10.00	2,000.00	Cash	Acquisition from Prem Lata Thakkar	Negligible	[●]
November 2,2017	500	10.00	2,000.00	Cash	Acquisition from Surender Pal Gulati	Negligible	[●]
December 7, 2017	1000	10.00	2,100.00	Cash	Acquisition from Kishan Lal Bhatia and Alna Bhatia	Negligible	[●]
December 7, 2017	1000	10.00	2,100.00	Cash	Acquisition from Kishan Lal Bhatia and Alna Bhatia	Negligible	[●]
December 14, 2017	1,000	10.00	2,800.00	Cash	Acquisition from Vikram Kalra	Negligible	[●]
December 14, 2017	1,000	10.00	2,800.00	Cash	Acquisition from Shelly Kalra	Negligible	[●]
January 6, 2018	1,000	10.00	2,000.00	Cash	Acquisition from Suraxa Hemantbhai Dhuru	Negligible	[●]

Date of allotment / transfer	Number of Equity Shares	Face value (₹)	Issue/ Transfer/ Selling price (₹)	Nature of consideration	Nature of allotment /details of transfer	% of pre-Offer equity share capital	% of post-Offer equity share capital
January 8, 2018	500	10.00	2,700.00	Cash	Acquisition from Mohammed Ali	Negligible	[●]
February 9, 2018	200	10.00	3,000.00	Cash	Acquisition from Surti Masira Mukhtar Ahmed	Negligible	[●]
February 9, 2018	100	10.00	3,000.00	Cash	Acquisition from Habiba M Irfan Soniwala	Negligible	[●]
March 8, 2018	200	10.00	3,000.00	Cash	Acquisition from Saad Ahmed Ikram Surti	Negligible	[●]
Pursuant to a shareholders' resolution dated July 7, 2018 each equity share of the Company of face value of ₹ 10.00 each was split into two equity shares of ₹ 5.00 each							
July 16, 2018	2,501,760	5.00	N.A.	N.A.	Bonus issue	12.71	[●]
Total	2,814,480					14.30	

For details relating to the cost of acquisition of Equity Shares by our Promoters, see the "***Risk Factors – Prominent Notes***" on page 39.

(b) Shareholding of our Promoters and Promoter Group

Set forth below is the shareholding of our Promoters and members of our Promoter Group as on the date of this Draft Red Herring Prospectus.

Name of shareholder	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage of equity share capital (%)	Number of Equity Shares	Percentage of equity share capital (%)
Promoters				
Mr. Madhu Bhushan Khurana	10,892,880	55.36	[●]	[●]
Mr. Sidhartha Bhushan Khurana	2,814,480	14.30	[●]	[●]
Total (A)	**13,707,360**	**69.66**	**[●]**	**[●]**
Promoter Group				
Ms. Chand Khurana	1,648,800	8.38	[●]	[●]
Ms. Garima Khurana	36,000	0.18	[●]	[●]
Ms. Shilpa Arora	90,000	0.46	[●]	[●]
Mr. Anup Kumar Chhibber	9,000	0.05	[●]	[●]
Total (B)	**1,783,800**	**9.07**	**[●]**	**[●]**
Grand total (A)+(B)	**15,491,160**	**78.73**	**[●]**	**[●]**

All Equity Shares held by our Promoters and members of Promoter Group are in physical form as on the date of this Draft Red Herring Prospectus and will be dematerialized prior to the filing of the Red Herring Prospectus with the RoC.

(c) Details of Promoters' contribution and lock-in for three years

Pursuant to Regulation 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Minimum Promoters' Contribution**"). All Equity Shares held by our Promoters are eligible for inclusion in the Minimum Promoters' Contribution, in terms of Regulation 33 of the SEBI ICDR Regulations.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

Set forth below are the details of the Equity Shares that will be locked up as Minimum Promoters' Contribution for a period of three years from the date of Allotment of Equity Shares in the Offer.

Name of the Promoter	No. of Equity Shares locked-in	Nature of transaction	Date of allotment	Face value (₹)	Issue/ acquisition price of each Equity Share	% of pre-Offer equity share capital	% of the fully diluted post- Offer equity share capital
Mr. Madhu Bhushan Khurana	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Mr. Sidhartha Bhushan Khurana	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]					[●]	[●]

For details of the build-up of the equity share capital held by our Promoters, see "- ***Build-up of our Promoters' shareholding in our Company***" above.

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer equity share capital of our Company as Minimum Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Equity Shares forming part of the Minimum Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons identified as 'promoters' under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoters' Contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard, we confirm that:

(i) the Equity Shares offered as part of the Minimum Promoters' Contribution do not comprise Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and wherein revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluation reserves or unrealised profits or from bonus issue against Equity Shares that are otherwise ineligible for computation of Minimum Promoters' Contribution;

(ii) the Minimum Promoters' Contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) our Company has not been formed by conversion of a partnership firm into a company and no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion of a partnership firm; and

(iv) the Equity Shares held by our Promoters and offered as part of the Minimum Promoters' Contribution are not subject to any pledge with any creditor or any other encumbrance.

(d) Details of Equity Shares locked-in for one year

In terms of Regulation 37 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital will be locked-in for a period of one year from the date of Allotment in the Offer, except (a) the Minimum Promoters'

Contribution which shall be locked-in for a period of three years, as disclosed above; and (b) Equity Shares which are successfully transferred as part of the Offer for Sale.

Any unsubscribed portion of the Equity Shares being offered by the Selling Shareholders in the Offer for Sale, would also be locked-in as required under the SEBI ICDR Regulations. Except for the Promoters' Contribution, which shall be locked-in as above, the entire pre-Offer capital of our Company shall be locked in for a period of one year from the date of Allotment.

(e) Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(f) Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in for one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Minimum Promoters' Contribution for three years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Offer.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters may be transferred among our Promoters and members of our Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

Further, in terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

5. *Our shareholding pattern*

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)				No. of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized from (XIV)
								No. of Voting Rights: Class eg: X	No. of Voting Rights: Class eg: Y	No. of Voting Rights: Total	Total as a % of total voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	**Promoter & Promoter Group**	6	15,491,160	-	-	15,491,160	78.73	15,491,160	-	15,491,160	78.73	-	78.73	-	-	-	-	-
(B)	**Public**	288	4,185,540	-	-	4,185,540	21.27	4,185,540	-	4,185,540	21.27	-	21.27	-	-	-	-	1,317,600
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	**Shares underlying Custodian/Depository Receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	**Shares held by Employee Trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	294	19,676,700	-	-	19,676,700	100.00	19,676,700	-	19,676,700	100.00	-	100.00	-	-	-	-	1,317,600

6. The BRLMs and their respective associates (in accordance with the Companies Act 2013) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may, in the future, receive agreed customary compensation.

7. **Shareholding of our Directors and Key Managerial Personnel in our Company**

Name	Position	No. of Equity Shares	Percentage of pre-Offer equity share capital (%)
Mr. Madhu Bhushan Khurana	Chairman and Managing Director	10,892,880	55.36
Mr. Sidhartha Bhushan Khurana	Managing Director	2,814,480	14.30
Mr. Shanker Dev Choudhary	Independent Director	18,000	0.09
Ms. Pallavi Saluja	Independent Director	9,000	0.05
Total		**13,734,360**	**69.80**

As on the date of this Draft Red Herring Prospectus, our Company has 294 equity shareholders.

8. **Largest shareholders of our Company**

The 10 largest equity shareholders as on the date of this Draft Red Herring Prospectus and as on 10 days prior to this Draft Red Herring Prospectus and the number of Equity Shares held by them are as set forth below.

S. No.	Shareholder	Number of Equity Shares held	Percentage of equity share capital (%)
1.	Mr. Madhu Bhushan Khurana	10,892,880	55.36
2.	Mr. Sidhartha Bhushan Khurana	2,814,480	14.30
3.	Ms. Chand Khurana	1,648,800	8.38
4.	Mr. Sanjay Leekha	594,000	3.02
5.	Ms. Charu Leekha	280,800	1.43
6.	Mr. Sanjay Leekha jointly held with Ms. Charu Leekha	234,000	1.19
7.	Ms. Suruchi Gandhi	201,600	1.02
8.	Vikas Mittal HUF	114,840	0.58
9.	Ms. Shilpa Arora	90,000	0.46
10.	Sunil Kumar Rastogi	72,000	0.37
	Total	**16,943,400**	**86.11**

Our 10 largest equity shareholders as of two years prior to the date of this Draft Red Herring Prospectus are set forth below.

No.	Shareholder	Number of Equity Shares held	Percentage of equity share capital (%)
1.	Mr. Madhu Bhushan Khurana	599,340	54.83
2.	Mr. Sidhartha Bhushan Khurana	140,360	12.84
3.	Ms. Chand Khurana	90,200	8.25
4.	Mr. Sanjay Leekha	31,200	2.85
5.	Ms. Charu Leekha	15,600	1.43
6.	Mr. Sanjay Leekha jointly held with Ms. Charu Leekha	15,000	1.37
7.	Mr. H.D Shanghari	14,600	1.34
8.	Ms. Suneeta Shanghari	11,600	1.06
9.	Mr. Yogesh Sadhuram Patel	6,500	0.59
10.	Ms. Shilpa Arora	5,000	0.46
	Total	**929,400**	**85.02**

9. Other than as disclosed below, none of the members of our Promoter Group or our Directors or their immediate relatives have sold or purchased Equity Shares by any other person, other than in the normal course of business of the financing entity, during the six months immediately preceding the date of this Draft Red Herring Prospectus.

Date of allotment/ transfer	Name of shareholder	Promoter Group/ Director/immediate relative of Director	Nature of allotment/ sale/ purchase	No. of equity shares	Issue price per equity share (₹)
April 9, 2018	Madhu Bhushan Khurana	Director	Acquisition from Subramanya Chari Kancherla	500	3,000
March 8, 2018	Madhu Bhushan Khurana		Acquisition from Sanjay Leekha jointly with Charu Leekha	600	3,000
	Sidhartha Bhushan Khurana		Acquisition from Saad Ahmed Ikram Ahmed Surti	200	3,000
	Chand Khurana	Member of the Promoter Group	Acquisition from Sanjay Leekha jointly with Charu Leekha	1,400	3,000
	Pallavi Saluja	Director	Acquisition from S Meenakshi	500	2950

The maximum price at which the purchases and sales took place in the last six months were ₹ 3,000 per equity share on March 8, 2018 and April 9, 2018 and the minimum price at which the purchases and sales took place in the last six months were ₹ 2,950 per equity share on March 8, 2018.

10. Our Company, Directors and the BRLMs have not entered into any buy back and/or standby arrangements for the purchase of Equity Shares being offered through this Offer from any person.

11. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

12. No payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.

13. None of the Equity Shares held by the members of our Promoter Group are pledged or otherwise encumbered. None of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered.

14. An oversubscription to the extent of 10% of the Offer can be retained for the purpose of rounding-off to the nearest multiple of minimum Allotment lot while finalizing the Basis of Allotment.

15. Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

16. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

17. The Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which, no Allotment shall be made.

18. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

19. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act 1956 or under Sections 230 to 232 of the Companies Act 2013.

20. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

21. Our Company does not intend or propose to alter its capital structure for six months from the Bid/Offer Opening Date, including by way of a split or consolidation of the denomination of the Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or qualified institutions placement, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures. The foregoing restrictions do not apply to the issuance of any Equity Shares pursuant to this Offer.

22. Other than participation in the Offer for Sale by our Promoters and certain members of our Promoter Group, our Promoters and members of our Promoter Group will not participate in the Offer. Other than with respect to the Offer for Sale by the Selling Shareholders, the Promoters and Promoter Group will not receive any proceeds from the Issue

23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

24. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus filed in relation to this Offer with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

25. A Bidder cannot make a Bid exceeding the number of Equity Shares offered through this Offer and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For more information, see "***Offer Procedure***" on page 350.

26. There has been no financing arrangement whereby our Promoters, members of our Promoter Group, our Directors, or any of their respective relatives, have financed the purchase by any other person of securities of our Company, other than in the ordinary course of the business of the financing entity, during the six months preceding the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of [●] Equity Shares, aggregating up to ₹ 980.00 million by our Company and an Offer for Sale of up to 3,939,000 Equity Shares, aggregating to ₹ [●] million by the Selling Shareholders.

The Offer for Sale

Each of the Selling Shareholders will be entitled to the respective proportion of the proceeds of the Offer for Sale. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Other than the listing fees (which shall be borne by our Company), all expenses in relation to the Offer will be shared among our Company and the Selling Shareholders in proportion to the Equity Shares being offered or sold by them, respectively, pursuant to the Offer and in accordance with applicable law. The Selling Shareholders shall reimburse our Company for the expenses incurred by our Company on behalf of the Selling Shareholders in relation to their Equity Shares offered in the Offer for Sale.

The Fresh Issue

The Net Proceeds of the Fresh Issue are proposed to be utilized by our Company for the following objects:

(a) Part-financing the motorcycle helmet and accessories manufacturing facility situated in Faridabad ("**Manufacturing Facility III**");
(b) Part-financing the bicycle helmet manufacturing facility situated in Faridabad ("**Manufacturing Facility IV**"); and
(c) General corporate purposes.

(together, the "**Objects of the Fresh Issue**")

Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue. Further, the activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

Net Proceeds

After deducting the Offer related expenses from the gross proceeds of the Fresh Issue, we estimate the proceeds of the Fresh Issue to be ₹ [●] million ("**Net Proceeds**"). The details of the Net Proceeds of the Offer are summarized in the table below.

(₹ in million)

S. No.	Particulars	Amount*
(a)	Gross Proceeds of the Fresh Issue	980.00
(b)	Offer Expenses (only those apportioned to our Company)*	[●]
(c)	Net Proceeds from the Fresh Issue	[●]

** Other than the listing fees (which shall be borne by our Company), all expenses in relation to the Offer will be shared among our Company and the Selling Shareholders in proportion to the Equity Shares being offered or sold by them, respectively, pursuant to the Offer and in accordance with applicable law.*

Utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details as set forth below.

(₹ in million)

S. No.	Particulars	Amount
1.	Part-financing the Manufacturing Facility III	745.00
2.	Part-financing the Manufacturing Facility IV	85.00
3.	General corporate purposes*	[●]
	Total	**[●]**

**To be finalized upon determination of the Offer Price.*

The fund requirements mentioned above are based on our internal management estimates as per our business plan based on current market conditions, quotations obtained from various vendors, which are subject to change in the future, a certificate from an independent chartered engineer and have not been appraised by any bank, financial institution or any other external agency.

Schedule of Implementation and Deployment of Funds

We propose to deploy Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds for the Manufacturing Facility III and Manufacturing Facility IV as set forth in the table below. As of July 31, 2018, our Company had deployed ₹ 292.00 million and ₹ 86.10 million towards financing Manufacturing Facility III and Manufacturing Facility IV, respectively, towards initial payments made for acquisition of land, preliminary building and civil work and certain orders placed for plant and machinery.

(₹ in million)

S. No.	Particulars	Total estimated cost	Amount already deployed as on July 31, 2018	Estimated utilization in Fiscal 2019#	Estimated utilization in Fiscal 2020	Estimated utilization in Fiscal 2021
1.	Part-financing the Manufacturing Facility III	1,413.20	292.00	495.90	575.3	50.00
2.	Part-financing the Manufacturing Facility IV	277.70	86.10	86.60	105.00	Nil
3.	General corporate purposes*	[●]	[●]	[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]	[●]

**To be finalized upon determination of the Offer Price.*
#This does not include the amounts already deployed as on July 31, 2018

Our fund requirements and deployment of the Net Proceeds for setting up the motorcycle helmet and accessories manufacturing facility and the bicycle helmet manufacturing facility are based on internal management estimates as per our business plan based on current market conditions, quotations obtained from various vendors, which are subject to change in the future, and a certificate from an independent chartered engineer for the building and infrastructure cost. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution or any other independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently our capital and operational expenditure requirements may also change. Our Company's historical capital and operational expenditure may not be reflective of our future capital expenditure plans. We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

In case of any increase in the actual utilization of funds earmarked for the Objects of the Fresh Issue, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals and any additional equity and/or debt arrangements. If the actual utilization towards any of the Objects of the Fresh Issue is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing Objects of the Fresh Issue, if required and general corporate purposes in accordance with applicable laws. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the subsequent fiscals, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Details of the Objects of the Fresh Issue

We currently have two manufacturing facilities – Manufacturing Facility I and Manufacturing Facility II - which are located in Faridabad, Haryana. Pursuant to the F&S Report, the two-wheeler helmet market in India is estimated to grow at a CAGR of 15.11% over the next five years and the sales of premium two-wheeler helmets is also likely to witness growth and is estimated to increase from the current 0.08 million units to 0.61 million units by Fiscal 2023. Leveraging our experience and expertise, we seek to capitalize on these growth opportunities in both the two-wheeler helmets and the bicycle helmets. We intend to use a part of the Net Proceeds towards setting up two new manufacturing facilities in Faridabad, Haryana, for manufacturing two-wheeler helmets and accessories and bicycle helmets. The manufacturing facility for bicycle helmets will be the first manufacturing facility for production of bicycle helmets by our Company.

1. Part-financing the Manufacturing Facility III

We are setting up a manufacturing facility for manufacturing motorcycle helmets and accessories, the Manufacturing Facility III, at industrial plot number 918, sector 68, Industrial Model Township, Faridabad. The Manufacturing Facility III is proposed to have a capacity of producing 6.00 million motorcycle helmets per annum. We have been allotted a land of 21,158.95 square meter by Haryana State Industrial and Infrastructure Development Corporate Limited ("**HSIIDC**") to undertake manufacturing of two-wheeler helmets, motorcycle accessories and sporting helmets.

Estimated Cost

The total estimated cost of setting-up Manufacturing Facility III is ₹ 1,413.20 million, as estimated by our management in accordance with our business plan approved by Board. However, such fund requirements have not been appraised by any bank or financial institution. The detailed break-down of estimated cost is set forth below.

(₹ in million)

S. No.	Item	Estimated Cost*
1.	Cost of acquisition of land	421.40
2.	Building and civil work	502.90
3.	Plant and machinery	423.90
4.	Contingencies	65.00
	Total	**1,413.20**

**Certified by Mr. Pawan Kumar Nagpal, an independent chartered engineer pursuant to a certificate dated August 24, 2018*

The working capital requirements for our Manufacturing Facility III will be met from our internal accruals and the proceeds earmarked towards general corporate purposes.

Means of Finance

The total estimated project cost for setting up Manufacturing Facility III is ₹ 1,413.20 million. We intend the fund the entire cost of Manufacturing Facility III in the following manner:

(₹ in million)

Sources of Fund	Total Cost
Net Proceeds	745.00
Internal accruals	288.30
Term loan from HDFC Bank pursuant to a loan agreement dated April 12, 2018 and an addendum letter dated July 27, 2018	379.90
Total	**1,413.20**

As of July 31, 2018, our Company had deployed ₹ 292.00 million towards financing the Manufacturing Facility III which was utilized towards making initial payments for acquisition of land for setting up the Manufacturing Facility III to HSIIDC and preliminary building and civil work. This initial expenditure of ₹ 292.00 million was funded through ₹ 30.00 million from the proceeds of the term loan and ₹ 262.00 million from internal accruals. We further propose that any subsequent initial expenditures in relation to setting up of the Manufacturing Facility III will be funded from the proceeds of the term loan and our internal accruals until the Net Proceeds are available to our Company.

Details of means of finance for establishment of Manufacturing Facility III are set forth below.

(₹ in million)

	Particulars	Amount
A.	Estimated cost for establishment of Manufacturing Facility III	1,413.20

	Particulars	Amount
B.	Amount already deployed as on July 31, 2018* ((a) + (b))	292.00
	(a) Amount deployed from the proceeds of term loan	30.00
	(b) Amount deployed from internal accruals	262.00
C.	Amount proposed to be financed from the Net Proceeds of the Fresh Issue	745.00
D.	Amount financed and proposed to be financed from the existing identifiable internal accruals ((i) + (ii))	288.30
	(i) Amount already deployed from internal accruals	262.00
	(ii) Amount proposed to be financed from internal accruals	26.30
E	Funds required excluding the Net Proceeds of the Fresh Issue and the existing identifiable internal accruals (A – (C + D))	379.90
	75% of the funds required excluding the Net Proceeds of the Fresh Issue and the existing identifiable internal accruals (75% of E)	**284.93**
	Amount sanctioned by HDFC Bank for Manufacturing Facility III pursuant to a term loan agreement dated April 12, 2018 and an addendum letter dated July 27, 2018	**380.00**

** In accordance with the certificate dated August 20, 2018 issued by the Statutory Auditors.*
*** In accordance with the certificate of the Statutory Auditors, dated August 20, 2018, the existing identifiable internal accruals (cash and bank balances) of our Company as on July 31, 2018 is ₹ 507.08 million.*

After excluding the amount to be raised from the Net Proceeds of the Offer and the existing identifiable internal accruals (including the amount already deployed from the internal accruals of our Company), the remaining cost of Manufacturing Facility III is ₹ 379.90 million (75% of that amount being ₹ 284.93 million). We confirm that we have firm arrangement of ₹ 380.00 million from HDFC Bank pursuant to a loan agreement dated April 12, 2018 and an addendum letter dated July 27, 2018 towards funding Manufacturing Facility III and have already drawn down and utilised ₹ 30.00 million from such facility as on July 31, 2018.

Land

Our Manufacturing Facility III is being set up on a land which has been allotted to our Company by HSIIDC admeasuring 21,158.95 square meter located at industrial plot number 918, sector 68, Industrial Model Township, Faridabad ("**Plot 918 Land**"). The Plot 918 Land was allotted to our Company pursuant to an allotment letter dated October 05, 2017 ("**Plot 918 Allotment Letter**") issued by HSIIDC for manufacturing two-wheeler helmets, motorcycle accessories and sporting helmets. Pursuant to the Plot 918 Allotment Letter our Company has entered into an agreement with HSIIDC dated November 2, 2017 ("**Plot 918 Agreement**"), in accordance with which the Plot 918 Land has been allotted to our Company for a consideration of ₹ 359.70 million (excluding interest amount and registration charges which is estimated to be approximately ₹ 61.70 million). We have already paid a consideration of ₹ 147.40 million for the acquisition of Plot 918 Land. As per the terms and conditions of the Plot 918 Agreement, we are required to pay the balance amount in eight half yearly instalments from June 30, 2018 until December 31, 2021. We propose to make these payment from the proceeds of the term loan from HDFC Bank and our internal accrual until the Net Proceeds are available to our Company. The Plot 918 Agreement requires us to commence commercial production on the Plot 918 Land within a period of three years from the date of offer of the physical possession of the land i.e., by October 4, 2020.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in this acquisition of the Plot 918 Land.

Building and civil work

Building and civil works for the manufacturing facilities include site development and construction and engineering related work including floor finish, building the super-structure, roof, doors and windows, office furnishings, weathering course, drainage and sewerage system and electrical planning and equipment. The total estimated cost for building and civil works for the Manufacturing Facility III is ₹ 502.90 million pursuant to the certificate dated August 24, 2018 issued by Mr. Pawan Kumar Nagpal, an independent chartered engineer.

Plant and machinery

While we propose to utilize ₹ 423.90 million towards purchasing plant and machinery, based on our current estimates, the specific number and nature of such plant and machinery to be procured by our Company will depend on our business requirements and the details of our plant and machinery to be procured from the Net Proceeds will be suitably updated at the time of filing of the Red Herring Prospectus with the RoC.

An indicative list of such (i) moulding machines, (ii) moulding auxiliaries, (iii) tool room machinery, (iv) harness cutting machinery, (v) assembly machines, (vi) other machines, (vii) other utilities that we intend to purchase, along with details of the quotations we have received in this respect is set forth below.

(₹ in million)

S. No.	Description of Equipment	Cost* per unit**	Date of Quotation
Moulding Machines^			
1.	Injection Moulding Machine 86 TON	1.81	May 15, 2018
2.	Injection Moulding Machine 120 TON	2.20	May 15, 2018
3.	Injection Moulding Machine 160 TON	2.47	May 15, 2018
4.	Injection Moulding Machine 250 TON	3.58	May 15, 2018
5.	Injection Moulding Machine 450 TON	7.01	May 15, 2018
6.	Injection Moulding Machine 530 TON	8.53	May 15, 2018
Moulding Auxiliaries			
7.	Robot Primus 14	0.74	May 22, 2018
8.	Robot Primus 16	0.85	May 22, 2018
9.	Robotic Sprue Pickers	0.25	May 22, 2018
10.	Online Granulators for PC	0.30	May 22, 2018
11.	Heavy Duty Granulator	0.85	May 24, 2018
12.	Mould Temperature Controller	0.10	May 22, 2018
Tool room			
13.	CNC VMC	3.84	May 22, 2018
14.	Surface Grinder (KENT)	2.52	May 18, 2018
15.	CNC EDM	1.35	May 18, 2018
16.	Welding Machine	0.39	May 24, 2018
Harness Cutting			
17.	Single Needle Stitching Machine	0.043	May 21, 2018
18.	Bartacking Machine	0.196	May 21, 2018
19.	CNC Cutting Machine	10.41	May 21, 2018
20.	Cutting Machine Accessories	0.67	May 21, 2018
Assembly			
21.	Shrink Wrapping Machine	1.75	May 17, 2018
Other Machines			
22.	Paint Shop	11.20	May 18, 2018
23.	Visor Coating	11.44	May 19, 2018
24.	Metalizing Machine	10.19	May 7, 2018
Utilities			
25.	Effluent Treatment Plant	2.65	April 18, 2018
26.	Sewage Treatment Plant	1.68	April 18, 2018
27.	RO System	0.28	April 18, 2018
28.	Compressors	2.77	May 25, 2018
29.	Fire Fighting System	5.08	May 25, 2018
30.	Surveillance System	0.56	May 23, 2018
31.	Computers	0.027	May 29, 2018
32.	Commercial Lift	4.09	May 25, 2018
33.	Electrical Distribution Panel & Cabling	7.70	May 24, 2018
34.	Electrical Installation Utilities	5.31	May 28, 2018

** Some of the quotations obtained are in foreign currencies and the exchange ratio used for the conversion is as of the date of the quotation. See "**Certain conventions, Use of Financial Information and Market data and Currency of Presentation**" on page 10.*

*** The above mentioned is cost per unit basis. However, our Company may purchase more than one unit of these plant and machinery equipment depending on the requirement.*

The quotations in relation to the equipment are valid as on the date of this Draft Red Herring Prospectus. Some of the quotations mentioned above do not include cost of freight, insurance, goods and services tax (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds proposed to be utilised towards the purchase of plant and machinery or through contingencies, if required.

We have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. The quantity of plant and machinery to be purchased will be based on management estimates and our business requirements. Our Company shall have the flexibility to deploy such plant and machinery according to the business requirements of our Company and based on estimates of our management.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units of plant and machinery mentioned above is proposed to be acquired in a ready-to-use condition.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed acquisition of the plant and machinery or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the plant and machinery.

Contingencies

We have created a provision for contingency of ₹ 65.00 million to cover cost of other smaller auxiliary equipment and tools, related taxes, levies and other duties, as applicable, logistics costs related to procurement of plant and machinery, any exchange rate fluctuations and any increase in the estimated cost for the proposed establishment of Manufacturing Facility III.

Proposed Schedule of Implementation

The expected schedule of implementation for the proposed Manufacturing Facility III is set forth below.

Particulars of the activities	**Estimated date of commencement**	**Estimated date of completion**
Building construction	December 2017*	April 2019
Installation of machinery	May 2019	September 2020
Trial production	July 2019	August 2019
Commercial production	September 2019	-

**The construction of the building has already commenced*

Power and water

The power supply for the proposed Manufacturing Facility III will be obtained from Dakshin Haryana Bijli Vitran Nigam Limited. We already have existing water supply arrangement with HSIIDC for the proposed Manufacturing Facility III.

Government and other approvals

We have received the consent to establish from the Haryana State Pollution Control Board for undertaking the construction activities for Manufacturing Facility III. We will make applications for license under the Factories Act before the Chief Inspector of Factories and consent to operate before the Haryana State Pollution Control Board prior to commencement of operations in Manufacturing Facility III.

2. Part-financing the Manufacturing Facility IV

We are setting up a new manufacturing facility for manufacturing bicycle helmets, Manufacturing Facility IV, at industrial plot number 48, sector 68, Industrial Model Township, Faridabad. The Manufacturing Facility IV is proposed to have a capacity of producing 1.50 million bicycle helmets per annum. Given we are foraying into manufacturing bicycle helmets by setting up Manufacturing Facility IV, while we propose to utilize this facility for manufacturing of bicycle helmets, we will also utilize Manufacturing Facility IV for production of expandable polystyrene liners for captive consumption for manufacturing helmets to the extent Manufacturing Facility IV is free and available from production of bicycle helmets to ensure efficient utilization of Manufacturing Facility IV. We have been allotted 4,500 square meter by HSIIDC to undertake manufacturing of bicycle helmets.

Estimated Cost

The total estimated cost of setting-up Manufacturing Facility IV is ₹ 277.70 million, as estimated by our management in accordance with our business plan approved by Board. However, such fund requirements have not been appraised by any bank or financial institution. The detailed break-down of estimated cost is set forth below.

(₹ in million)

S. No.	Item	Estimated Cost*
1.	Cost of acquisition of land	89.00
2.	Building and civil work	103.20
3.	Plant and machinery	70.50
4.	Contingencies	15.00
	Total	**277.70**

**Certified by Mr. Pawan Kumar Nagpal, an independent chartered engineer pursuant to a certificate dated August 24, 2018*

The working capital requirements for Manufacturing Facility IV will be met from our internal accruals and the proceeds earmarked towards general corporate purposes.

Means of Finance

The total estimated project cost for setting up Manufacturing Facility IV is ₹ 277.70 million. We intend the fund the entire cost of Manufacturing Facility IV in the following manner:

(₹ in million)

Sources of Fund	Total Cost
Net Proceeds	85.00
Internal accruals	124.50
Term loan from HDFC Bank pursuant to a loan agreement dated April 12, 2018 and an addendum letter dated July 27, 2018	68.20
Total	**277.70**

As of July 31, 2018, our Company had deployed ₹ 86.10 million towards financing the Manufacturing Facility IV which was utilized towards initial payments made for acquisition of land, preliminary building and civil work and certain orders placed for plant and machinery. This initial expenditure of ₹ 86.10 million was funded through ₹ 20.00 million from the proceeds of the term loan and ₹ 66.10 million from internal accruals. We further propose that any subsequent initial expenditures in relation to setting up of the Manufacturing Facility IV will be funded from the proceeds of the term loan and our internal accruals until the Net Proceeds are available to our Company.

Details of means of finance for establishment of Manufacturing Facility IV are set forth below.

(₹ in million)

	Particulars	Amount
A.	Estimated cost for establishment of Manufacturing Facility IV	277.70
B.	Amount already deployed as on July 31, 2018* ((a) + (b))	86.10
	(a) Amount deployed from the proceeds of term loan	20.00
	(b) Amount deployed from internal accruals	66.10
C.	Amount proposed to be financed from the Net Proceeds of the Fresh Issue	85.00
D.	Amount financed and proposed to be financed from the existing identifiable internal accruals ((i) + (ii))	124.50
	(i) Amount already deployed from internal accruals	66.10
	(ii) Amount proposed to be financed from internal accruals	58.40
E	Funds required excluding the Net Proceeds of the Fresh Issue and the existing identifiable internal accruals (A – (C + D))	68.20

Particulars	Amount
75% of the funds required excluding the Net Proceeds of the Fresh Issue and the existing identifiable internal accruals (75% of E)	**51.15**
Amount sanctioned by HDFC Bank for Manufacturing Facility IV pursuant to a term loan agreement dated April 12, 2018 and an addendum letter dated July 27, 2018	**100.00**

** In accordance with the certificate dated August 20, 2018 issued by the Statutory Auditors.*
*** In accordance with the certificate of the Statutory Auditors, dated August 20, 2018 the existing identifiable internal accruals (cash and bank balances) of our Company as on July 31, 2018 is ₹ 507.08 million.*

After excluding the amount to be raised from the Net Proceeds of the Offer and the existing identifiable internal accruals (including the amount already deployed from the internal accruals of our Company), the remaining cost of Manufacturing Facility IV is ₹ 68.20 million (75% of that amount being ₹ 51.15 million). We confirm that we have firm arrangement of ₹ 100.00 million from HDFC Bank pursuant to a loan agreement dated April 12, 2018 and an addendum letter dated July 27, 2018 towards funding Manufacturing Facility IV and have already drawn down and utilised ₹ 20.00 million from such facility as on July 31, 2018.

Land

Our Manufacturing Facility IV is being set up on a land which has been allotted to our Company by HSIIDC admeasuring 4,500 square meters located at industrial plot number 48, sector 68, Industrial Model Township, Faridabad ("**Plot 48 Land**"). The Plot 48 Land was allotted to our Company pursuant to an allotment letter dated October 5, 2017 ("**Plot 48 Allotment Letter**") issued by HSIIDC for manufacturing bicycle helmets. Pursuant to the Plot 48 Allotment Letter our Company has entered into an agreement with HSIIDC dated November 2, 2017 ("**Plot 48 Agreement**"), in accordance with which the Plot 48 Land has been allotted to our Company for a consideration of ₹ 76.50 million (excluding interest amount and registration charges which is estimated to be ₹ 12.50 million). We have already paid a consideration of ₹ 31.36 million for the acquisition of Plot 48 Land. As per the terms and conditions of the Plot 48 Agreement, we are required to pay the balance amount in eight half yearly instalments from June 30, 2018 until December 31, 2021. We propose to make these payment from the proceeds of the term loan from HDFC Bank and our internal accrual until the Net Proceeds are available to our Company. The Plot 48 Agreement requires us to commence commercial production on the Plot 48 Land within a period of three years from the date of offer of the physical possession of the land i.e., by October 4, 2020.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in this acquisition of the Plot 48 Land.

Building and civil work

Building and civil works for the manufacturing facilities include site development and construction and engineering related work including floor finish, building the super-structure, roof, doors and windows, office furnishings, weathering course, drainage and sewerage system and electrical planning and equipment. The total cost for building and civil works for the Manufacturing Facility IV is estimated at ₹ 103.20 million pursuant to the certificate dated August 24, 2018 issued by Mr. Pawan Kumar Nagpal, an independent chartered engineer.

Plant and machinery

While we propose to utilize ₹ 70.50 million towards purchasing plant and machinery, based on our current estimates, the specific number and nature of such plant and machinery to be procured by our Company will depend on our business requirements and the details of our plant and machinery to be procured from the Net Proceeds will be suitably updated at the time of filing of the Red Herring Prospectus with the RoC.

An indicative list of such (i) EPS moulding machines, (ii) tool room machineries, (iii) harness cutting machineries, and (iv) utilities that we intend to purchase, along with details of the quotations we have received in this respect is set forth below.

(₹ in million)

S. No.	Description of Equipment	Cost* per unit**	Date of Quotation
Moulding Machines^			
1.	EPS Shape Moulding Machines	2.44	April 12, 2018
2.	EPS Inmoulding Machines	4.36	April 12, 2018
3.	Pre Expanders	2.48	April 12, 2018
4.	Semi Auto Silo System	0.07	April 12, 2018
5.	Central Vacuum System	4.51	April 12, 2018
6.	Filling Injectors	0.003	April 12, 2018
7.	Ejector Assemblies	0.0016	April 12, 2018
Tool Room			
8.	CNC VMC	3.83	May 22, 2018
9.	Welding Machine	0.15	May 24, 2018
Harness Cutting			
10.	Single Needle Stitching Machine	0.044	May 19, 2018
11.	Bartacking Machine	0.195	May 19, 2018
12.	CNC Cutting Machine	10.41	May 21, 2018
13.	Cutting Machine Accessories	0.95	May 21, 2018
Utilities			
14.	RO System	0.28	May 28, 2018
15.	Effluent Treatment Plant	1.71	May 28, 2018
16.	Sewage Treatment Plant	0.65	May 28, 2018
17.	Compressors	1.53	May 25, 2018
18.	Fire Fighting System	2.79	May 25, 2018
19.	Surveillance System	0.26	May 23, 2018
20.	Computers	0.03	May 29, 2018
21.	Boiler	3.67	June 1, 2018
22.	Electrical Distribution Panels & Cabling	1.40	May 28, 2018
23.	Electrical Installation Utilities	1.89	May 28, 2018

** Some of the quotations obtained are in foreign currencies and the exchange ratio used for the conversion is as of the date of the quotation. See "**Certain conventions, Use of Financial Information and Market data and Currency of Presentation**" on page 10*
*** The above mentioned is cost per unit basis. However, our Company may purchase more than one unit of these plant and machinery equipment depending on the requirement.*

The quotations in relation to the equipment are valid as on the date of this Draft Red Herring Prospectus. Some of the quotations mentioned above do not include cost of freight, insurance, goods and services tax (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds proposed to be utilised towards the purchase of plant and machinery or through contingencies, if required.

We have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. The quantity of plant and machinery to be purchased will be based on management estimates and our business requirements. Our Company shall have the flexibility to deploy such plant and machinery according to the business requirements of our Company and based on estimates of our management.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units of plant and machinery mentioned above is proposed to be acquired in a ready-to-use condition.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed acquisition of the plant and machinery or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the plant and machinery.

Contingencies

We have created provision for contingency of ₹ 15.00 million to cover logistics costs related to procurement of plant and machinery and other smaller auxiliary equipment and tools, related taxes, levies and other duties, as applicable, any exchange rate fluctuations and any increase in the estimated cost for the proposed establishment of Manufacturing Facility IV.

Proposed Schedule of Implementation

The expected schedule of implementation for the proposed Manufacturing Facility IV is set forth below.

Particulars of the activities	**Construction commencement date**	**Estimated date of completion**
Building construction*	December 2017	November 2018
Installation of machinery	December 2018	March 2020
Trial production	January 2019	February 2019
Commercial production	February 2019	-

* *The construction of the building has already commenced*

Power and water

The power supply for the proposed Manufacturing Facility IV will be obtained from Dakshin Haryana Bijli Vitran Nigam Limited. We already have existing water supply arrangement with HSIIDC for the proposed Manufacturing Facility IV.

Government and other approvals

We have received the consent to establish from the Haryana State Pollution Control Board for undertaking the construction activities for Manufacturing Facility IV. We will make applications for license under the Factories Act before the Chief Inspector of Factories and consent to operate before the Haryana State Pollution Control Board prior to commencement of operations in Manufacturing Facility IV.

3. *General corporate purposes*

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million (net of Offer related expenses in relation to the Fresh Issue) towards general corporate purposes, subject to such utilization not exceeding 25% of the Proceeds of the Fresh Issue, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including the following:

(i) capital expenditures;
(ii) strategic initiatives;
(iii) funding growth opportunities;
(iv) working capital requirements;
(v) repayment/ prepayment of any long-term or short-term debt;
(vi) strengthening marketing capabilities and brand building exercises;
(vii) meeting ongoing general corporate exigencies; and
(viii) any other purpose as may be approved by the Board.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board of Directors or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. The quantum of utilization of funds towards each of the above purposes will be determined by our Board based on the permissible amount actually available under the head 'General corporate purposes' and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of our Board of Directors, shall have flexibility in utilizing surplus amounts, if any.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing Bid cum Application Forms, brokerage and selling commission payable to Registered Brokers, CRTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing of the Equity Shares on the Stock Exchanges. The estimated Offer expenses are as follows:

S. No.	Activity	Estimated amount* (₹ in million)	As a % of total estimated Offer Expenses*	As a % of Offer Size*
1.	Fees payable to the BRLMs (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
2.	Selling commission and processing fees for SCSBs (1)(2)	[●]	[●]	[●]
3.	Brokerage, selling commission and bidding charges for the members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs (3) (4)	[●]	[●]	[●]
4.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
5.	Listing fees, SEBI filing fees, book building software fees and other regulatory expenses, printing and stationery expenses, advertising and marketing expenses for the Offer and fees payable to the legal counsel	[●]	[●]	[●]
6.	Other Advisors to the Offer	[●]	[●]	[●]
7.	Miscellaneous	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

* *To be incorporated in the Prospectus after finalization of the Offer Price.*

(1) Selling commission payable to the SCSBs on the portion for Retail Individual Investors and portion for Non-Institutional Investors, which are directly procured by them would be as follows:

*Portion for Retail Individual Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*

**for each valid Bid cum Application Form*

No additional processing/uploading charges shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

(2) Processing fees payable to the SCSBs on the portion for Retail Individual Investors, portion for Non-Institutional Investors, which are procured by the members of the Syndicate /Sub-Syndicate /Registered Brokers /RTAs /CDPs and submitted to SCSBs for blocking would be as follows:

*Portion for Retail Individual Investors**	*₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)*

**for each valid Bid cum Application Form*

(3) Selling commission on the portion for Retail Individual Investors, the portion for Non-Institutional Investors which are procured by Syndicate Members (including their Sub-Syndicate Members) would be as follows:

*Portion for Retail Individual Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*

**Amount allotted is the product of the number of Equity Shares Allotted and the Offer Price*

In addition to the selling commission referred above, any additional amount(s) to be paid by our Company and Selling Shareholders shall be as mutually agreed amongst the Book Running Lead Managers, their respective Syndicate Members, our Company and Selling Shareholders before the opening of the Offer.

Bidding Charges: ₹ [●] *per valid application bid by the syndicate*

(4) Bidding charges payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Investors, and portion for Non-Institutional Investors which are directly procured by the Registered Broker or RTAs or CDPs or submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Investors	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
Portion for Non-Institutional Investors	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*

** Based on valid Bid cum Application Forms*

Note: The total E-IPO commission to Registered Brokers, RTAs and CDPs shall not be more than that of the Capped E-IPO Commission (defined below)

Capped E-IPO Commission is a sum of ₹ [●] plus applicable taxes which shall be the maximum commission payable by our Company and the Selling Shareholders to Registered Brokers, RTAs and CDPs.

All costs, fees and expenses in respect of the Offer (other than listing fees) shall be shared by our Company and the Selling Shareholders in proportion to the number of Equity Shares being issued or offered, as the case may be, by each of them in the Fresh Issue and the Offer for Sale, upon the successful completion of the Offer, in accordance with applicable law. Upon the successful completion of the Offer, each of the Selling Shareholders agree that they shall severally and not jointly reimburse our Company, on a pro-rata basis, in proportion to their respective Offered Shares sold pursuant to the Offer, for any expenses (other than listing fees) incurred by our Company on behalf of the Selling Shareholders.

Interim Use of Funds

Our management will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only in interest bearing accounts with the Scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended for the necessary duration. Such investments will be approved by our management from time to time. Our Company confirms that, pending utilization of the Net Proceeds, it shall not use the funds for any investment in any other equity or equity linked securities. Further, in accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in securities of any other listed company or for any investment in the equity markets.

Bridge Loan

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

As the size of the Fresh Issue is less than ₹ 1,000 million, the appointment of a monitoring agency is not required.

Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the details of utilization of the Net Proceeds under separate heads in our Company's balance sheet clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for necessary action, if deemed appropriate. Additionally, in accordance with Regulation 32(5) of the SEBI Listing Regulations, our Company shall prepare, and place before the Audit Committee, an annual statement of funds utilized for purposes other than that specified in this Prospectus, as certified by our Auditor, until such time that the entire Net Proceeds have been utilized. Further, in accordance with Regulation 32(1) of the SEBI Listing Regulations our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (a) deviations, if any, in the utilization of the Net Proceeds of the Fresh Issue stated in this Prospectus and (b) details of category wise variation between the projected utilization of the Net Proceeds of the Fresh Issue as disclosed in this Prospectus and the actual utilization of the Net Proceeds. This information will also be advertised in newspapers simultaneously with the interim or annual financial results of our Company after placing them before the Audit Committee.

Variation in Objects of the Fresh Issue

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects of the Fresh Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Fresh Issue, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act 2013 and provisions of Chapter VI A of the SEBI ICDR Regulations.

Investors may note that the Selling Shareholders is not liable under Section 27 of the Companies Act 2013 or any other applicable law or regulation (including any direction or order by any regulatory authority, court or tribunal) for any variation of (i) terms of a contract referred to in this Draft Red Herring Prospectus; and/or (ii) objects for which this Draft Red Herring Prospectus is issued.

Appraising Agency

None of the Objects of the Fresh Issue for which the Net Proceeds will be utilized have been appraised by any agency.

Other Confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors or key managerial employees. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoters, Directors or our Key Management Personnel in relation to the utilization of the Net Proceeds of the Fresh Issue. Further, we confirm that our Company, Promoters and members of the Promoter Group, are not related to the entities that have provided quotations for the purchase of capital equipment by our Company or to Mr. Pawan Kumar Nagpal, the independent chartered engineer which has certified the building and infrastructure cost for Manufacturing Facility III and Manufacturing Facility IV, as stated above.

.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 5 and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should also refer to the sections titled "***Risk Factors***", "***Our Business***" and "***Financial Statements***" on pages 14, 129 and 167, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for the Offer Price are:

- Largest manufacturer of two-wheeler helmets with leading brands and wide product range.
- Customer centricity supported by integrated operations.
- Strong pan-India and global presence supported by an extensive and well-developed sales and dealer network and major quality accreditations.
- Capital efficient and scalable business model.
- Experienced Promoters and Management team.

For further details, please refer to "***Our Business – Our Strengths***" on page 130.

Quantitative Factors

Information presented in this section is derived from the Restated Financial Statements.

Some of the quantitative factors which may form the basis for determination of the Offer Price are as follows:

1. Earnings per Share

As per our Restated Standalone Financial Statements:

Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	16.71	16.71	3
March 31, 2017	11.99	11.99	2
March 31, 2016	12.48	12.48	1
Weighted Average	**14.43**	**14.43**	

As per our Restated Consolidated Financial Statements:

Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	16.50	16.50	3
March 31, 2017	12.07	12.07	2
March 31, 2016	12.55	12.55	1
Weighted Average	**14.37**	**14.37**	

Note:

1. *The EPS calculations have been done in accordance with Ind AS 33 issued by ICAI, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.*
2. *The figures disclosed above are based on the restated summary statements of our Company*
3. *The above statement should be read with significant accounting policies and notes on restated summary statements as appearing in the "**Financial Statement**" on page 167.*
4. *The face value of each Equity Share is ₹ 5*
5. *The ratios have been computed as below:*
   a. Basic EPS (in ₹) = Net profit, after tax, as restated for the year/ period, attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year/ period
   b. Diluted EPS (in ₹) = Net profit, after tax, as restated for the year/ period, attributable to equity shareholders/ Weighted average number of dilutive equity shares outstanding during the year/ period
6. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the*

number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date

7. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights]*

2. Price/Earning ("P/E") Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	As per our Restated Standalone Financial Statements	As per our Restated Consolidated Financial Statements
P/E ratio based on Basic EPS for the Fiscal 2018 at the Floor Price	[●]	[●]
P/E ratio based on Diluted EPS for the Fiscal 2018 at the Floor Price	[●]	[●]
P/E ratio based on Basic EPS for the Fiscal 2018 at the Cap Price	[●]	[●]
P/E ratio based on Diluted EPS for the Fiscal 2018 at the Cap Price	[●]	[●]

3. Return on Net Worth ("RoNW")

Return on net worth as per Restated Standalone Financial Statements:

Period/ Fiscal ended	RoNW (%)	Weight
March 31, 2018	27.70	3
March 31, 2017	27.12	2
March 31, 2016	38.65	1
Weighted Average	**29.33**	

Return on net worth as per Restated Consolidated Financial Statements:

Period/ Fiscal ended	RoNW (%)	Weight
March 31, 2018	27.35	3
March 31, 2017	27.16	2
March 31, 2016	38.70	1
Weighted Average	**29.18**	

(1) Weighted average RoNW = Aggregate of year-wise weighted RoNW% divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights
(2) Return on Net Worth (%) = Net profit after tax, as restated for the year/ period, attributable to equity shareholders/ Net worth (excluding revaluation reserve), as restated, at the end of the year/ period
(3) Net worth has been computed by aggregating paid up share capital and reserves and surplus (securities premium, general reserve and surplus in the Statement of Profits and Losses) as per the restated financial information. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off)

4. Minimum Return on Net Worth post-Offer required to maintain pre-Offer EPS for the Fiscal March 31, 2018

To maintain pre-Offer basic EPS for the Fiscal March 31, 2018

i. Based on Restated Standalone Financial Statements:
   1. At the Floor Price - [●]%
   2. At the Cap Price - [●]%

ii. Based on Restated Consolidated Financial Statements:
   1. At the Floor Price - [●] %
   2. At the Cap Price - [●]%

To maintain pre-Offer diluted EPS for the Fiscal March 31, 2018

i. Based on Restated Standalone Financial Statements:
   1. At the Floor Price - [●]%
   2. At the Cap Price - [●]%

ii. Based on Restated Consolidated Financial Statements:
    1. At the Floor Price - [●]%
    2. At the Cap Price - [●]%

5. Net Asset Value ("NAV") per Equity Share of face value of ₹ 5 each

Fiscal ended	Restated Standalone Financial Statements (₹)	Restated Consolidated Financial Statements (₹)
March 31, 2018	1,085.75	1,085.74
Offer Price	[●]	[●]
After the Offer	[●]	[●]

(1) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
(2) NAV per Equity Share = Net worth, as restated, at the end of the period/ year/ Number of equity shares outstanding at the end of the year/ period
(3) Net worth has been computed by aggregating paid up share capital and reserves and surplus (securities premium, general reserve and surplus in the Statement of Profits and Losses) as per the restated financial information. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off).

6. Comparison with Listed Industry Peers

There are no listed entities in India which are similar to our line of business and comparable to our scale of operations.

7. The Offer Price is [●] times of the face value of Equity Shares

The Offer Price of ₹ [●] per Equity Shares has been determined by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company, the Promoter Selling Shareholders and the BRLMs believe that the Offer Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with ***"Risk Factors"***, ***"Our Business"*** and *"**Financial Statements**"* on pages 14, 129 and 167 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in ***"Risk Factors"*** and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To

The Board of Directors,
Studds Accessories Limited
23/7 Mathura Road, Ballabgarh,
Faridabad 121 004,
Haryana, India

Re: Proposed initial public offering of equity shares of Rs. 5 each ("Equity Shares") by Studds Accessories Limited (the "Company"), through a fresh issue and offer for sale of Equity Shares by the Company (the "Offer")

Dear Sirs,

We, Rajan Chhabra & Co., Chartered Accountants, the statutory auditors of the Company, hereby report the possible special tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the "**IT Act**"), and to the shareholders of the Company under the IT Act, presently in force in India, in the enclosed statement at **Annexure A**.

Several of these stated tax benefits/consequences are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed annexure are not exhaustive. **Annexure A** is for your information and for inclusion in the draft red herring prospectus, the red herring prospectus and the prospectus "**Offer Documents**), as amended or supplemented thereto or any other written material in connection with the proposed Offer and is neither designed nor intended to be a substitute for professional tax advice.In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future; or

ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as "Experts" under section 26 of the Companies Act to the extent of the certification provided hereunder and included in the draft red herring prospectus, red herring prospectus and prospectus of the Company or in any other documents in connection with the Offer.

This certificate has been issued at the request of the Company for use in connection with the Offer and may accordingly be furnished as required to the stock exchanges or any other regulatory authorities as required.

This certificate may be relied upon by the Book Running Lead Managers and the legal counsels appointed in relation to the Offer. This certificate is for information and for inclusion in the DRHP, RHP and the Prospectus (the "**Offer Documents**") to be issued by the Company in relation to the Offer.

We undertake to immediately intimate the book running lead managers, legal counsels and other advisors or intermediaries in case of any changes to the above. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Sincerely,

For Rajan Chhabra & Co.,
Chartered Accountants
Firm Registration No: 009520N
CA Rajan Chhabra
Partner
M.No:088276
Place: Faridabad
Date: 20th August, 2018

ANNEXURE A TO THE STATEMENT OF TAX BENEFITS:

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

A. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The shareholders of the Company are not entitled to any special tax benefits under the Act.

Note:

1. All the benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law

No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is derived from the Frost and Sullivan report titled "2 Wheeler Market and Select Accessories Market in India" dated August 2018 ("***F&S Report***") which has been commissioned by our Company. Neither we nor any other person connected with the Offer has independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Investors should not place undue reliance on this information.*

ECONOMIC SCENARIO

Overview of the Indian Economy

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

The following table sets forth global GDP growth and forecasts:

Country or Group	**2016**	**2017**	**2018F**	**2019F**
China	6.7%	6.9%	6.6%	6.4%
Brazil	-3.5%	1.0%	2.3%	2.5%
Russia	-0.2%	1.5%	1.7%	1.5%
South Africa	0.6%	1.3%	1.5%	1.7%
India	7.1%	6.7%	7.4%	7.8%
Japan	0.9%	1.7%	1.2%	0.9%
Euro Area	1.8%	2.3%	2.4%	2.0%
United Kingdom	1.9%	1.8%	1.6%	1.5%
United States	1.5%	2.3%	2.9%	2.7%
World	3.2%	3.8%	3.9%	3.9%

Note: Figures for 2019 are forecasts.

* *For India, data and forecasts are presented on a Fiscal year basis i.e. 2013 refers to 2013-14 or FY2014. Data for other countries calculated on a calendar year basis.*

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

Medium-term Outlook for the Indian Economy

Over the medium term, India is expected to retain its position as one of the fastest growing large economies, led by continued growth in private consumption and revival in investment Recent government initiatives to improve farm productivity, higher MSPs and investments in irrigation and logistics are expected to help agriculture grow at a robust rate, thus increasing rural wages and rural consumption. Demographic changes, urbanisation and job growth would support urban consumption. In addition, steps by the government to hasten the resolution of banks' non-performing loans and bank recapitalisation may allow them to raise their lending volumes, thus creating a favourable environment for boosting private investment. Moreover, the transition to the GST would mitigate supply-side bottlenecks and boost government revenues over the medium-term, creating fiscal space for stepped-up government investment in infrastructure.

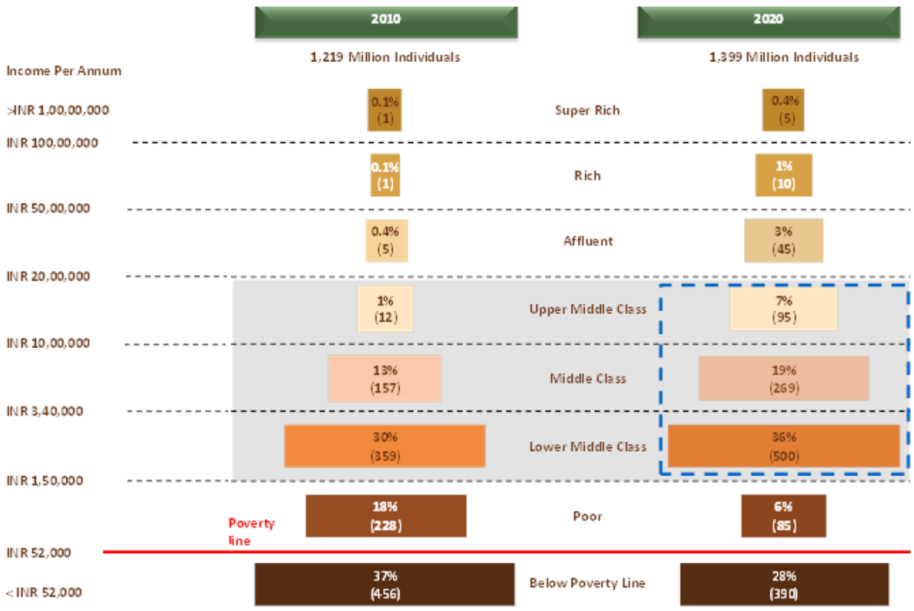
Based on such factors, India's real GDP growth rate is expected to average approximately 7.0 to 7.5% over the next five years. With inflation expected to remain around the medium-term target of 4.0%, India's nominal GDP is likely to grow at an annual average rate of 11.0 to 11.5% over the next five years.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

Growing Middle Class

Another factor playing a vital role in the country's growth is the rising middle class population. Increasing from 44% of the total population in 2010 to an estimated 62% by 2020, the middle class is the primary propeller of demand across all sectors including automobiles (especially two wheelers), food, consumer products, and realty to name a few. The liberalization of economy in the early 1990 kick-started growth in Indian markets. The growth avenues, coupled with a large talent pool and cheap labour costs attracted global companies to enter Indian markets. This unleashed multiple employment avenues thereby creating a more robust middle class.

Companies have started basing their strategies on the behavioural traits of the Indian middle class i.e. income to expenditure ratio, upwardly mobile, and influenced by global trends. Most companies target the middle class also because of the sheer number of people in this bracket.

Following is the chart showing the split by economic class for years 2010-2020:

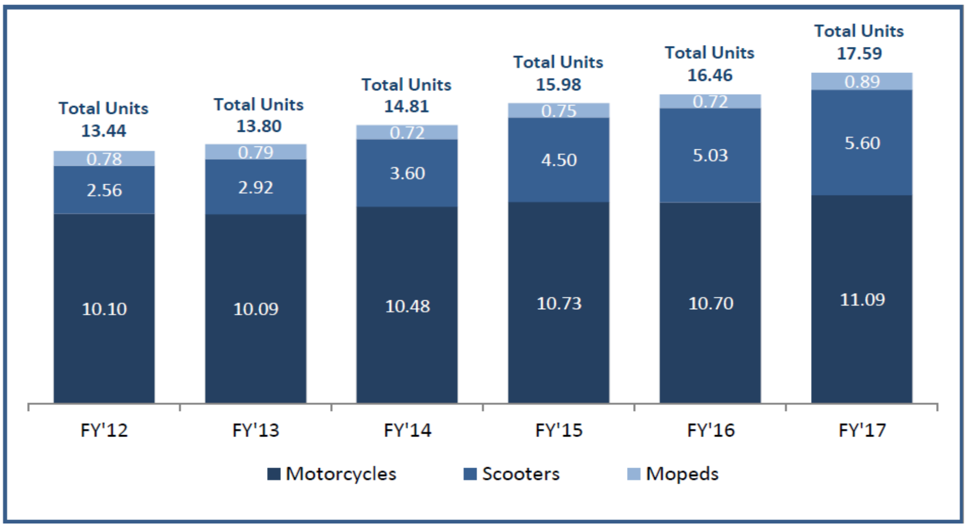


Note: Figures in the brackets represent million individuals. Poverty Line is as defined by the Planning Commission of India. The definition of poverty-₹ 4,365 per month per household

Source: National Council for Applied Economic Research (NCAER), and Frost & Sullivan

TWO WHEELER INDUSTRY

Following is the chart showing two wheelers market growth in India 2012-2017:



Source: Society of Indian Manufacturers Association (SIAM) in Million

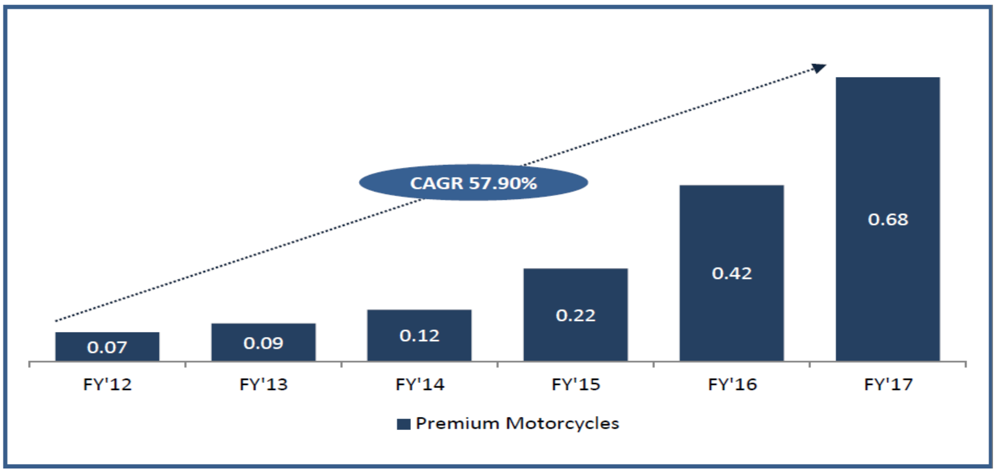
The Indian two wheelers industry has grown at compound annual growth rate ("**CAGR**") of 5.54% over the past five years, overtaking China to emerge as the biggest market for two wheelers globally, with 17.59 million units sold in Fiscal 2017. Government spending in rural programs and large infrastructure projects are helping two wheelers' sales in small towns and villages as well.

The other key reason for the spurt in sales has been women commuters. With the introduction of automatic transmission in scooters, increasing urbanization, better roads and a growing number of women consumers, the wheels have turned in favour of scooters.

Easier finance options, newer and more fuel-efficient models, rising incomes and emerging business models, such as e-commerce, also help OEMs to sell more in the market. In metros and major cities, choked infrastructure and traffic jams, paucity of parking space have fuelled the sale of two wheelers over four wheelers. People buy two-wheelers for shorter commutes despite owning a four wheeler. Preference for two wheelers is increasing in congested cities and they are commonly becoming second vehicles in households.

The growth in two wheelers sector is not just led by commuter vehicles but the premium two wheelers which are generally priced above ₹ 150,000 are also contributing to the growth in numbers. Premium motorcycles are those which have engine capacities over 350cc.

Following chart shows premium two wheelers market growth in India from 2012 to 2017:



Source: Society of Indian Manufacturers Association (SIAM) Nos. in Million

The premium segment motorcycle manufacturers have been gradually updating their product portfolio and exposure in India. Major global motorcycle brands like Harley Davidson, Triumph, Ducati, Benelli, KTM, Indian, Kawasaki, BMW etc. have marked their presence in India and are currently ramping up their presence in the Indian premium motorcycle market.

These companies are launching new motorcycle models in India every year, thus providing more choices for consumers. Companies operating in this space have also established their domestic assembly units in the country over the last few years, leading to a decline in the average selling prices of premium motorcycles and increasing demand. Further, easy finance availability, coupled with upcoming domestic assembling plants will drive premium motorcycles market in India.

Growth drivers and challenges for two wheelers industry

Key Drivers

1. Rise in India's young working population

With the rising levels of per capita income of people, the Indian two wheelers market offers a huge potential for growth. This growth is relevant in the light of the fact that 70% of India's population is below the age of 35 years and over 150 million people will be added to the working population in the next five years. The number of women in the urban and semi-urban work force is also increasing; this will lead to growth of gearless scooters.

2. Growth of tier II/III cities and rural India and growing middle income households

Growth prospects of Indian tier II and tier III cities and rural economy offer a significant opportunity for the two wheelers industry. The penetration of motorcycles among rural households with income levels greater than US $2,200 per annum has already increased to over 50%. The current target segment for two wheelers, i.e., households belonging to the income category of US $2,200–12,000 is expected to grow at a CAGR of 10%.

3. Driven by extent of disposable income and greater affordability

Growth in two wheelers sales has been driven by an increase in affordability of these vehicles. With greater avenues of financing, the customer's capacity to own two wheelers has improved.

4. New model launches and shorter product life cycle

The last five years have witnessed a sharp increase in new product launches in the two wheelers industry. It is estimated that close to over 50 new products have been launched by manufacturers during this period, across all price points targeted at various consumer segments.

Key challenges

1. Rising customer expectations

The growth witnessed by the Indian two wheelers industry has attracted a number of new entrants to the market and it is expected that the Indian two wheeler industry will become more competitive in the future. The plethora of products introduced in the past has also raised customer expectations with respect to reliability, styling, performance and economy

2. Environmental and safety concerns

The increasing demand for two wheelers will need to be managed to address issues relating to overcrowding of roads. Another problem is the insufficient infrastructure for inspection to ensure adherence to emission norms. As the industry grows, it is important to regulate the sale of used two wheelers in a more organized manner for which a mechanism needs to be evolved.

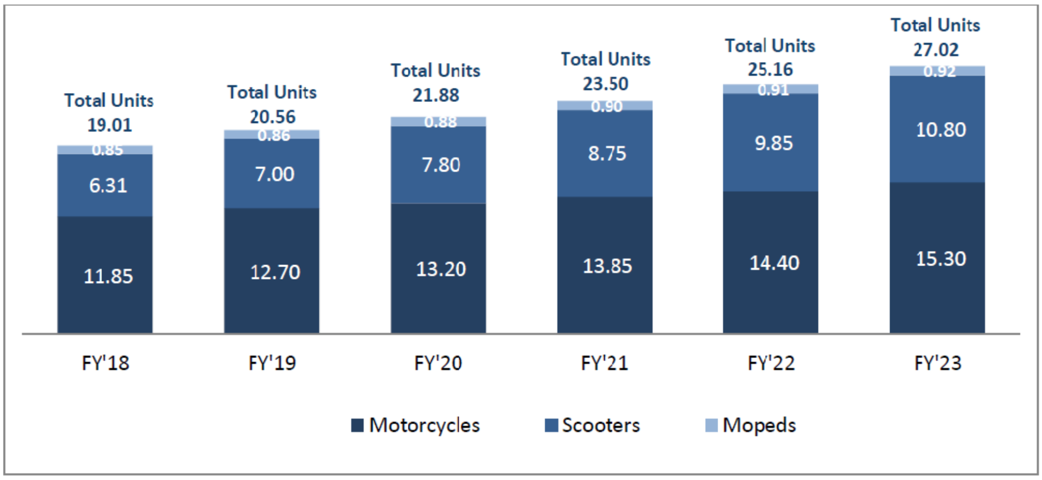
3. Creation of distribution infrastructure

Leading manufacturers need to ensure that on one hand they build adequate infrastructure in terms of dealerships and servicing stations in the urban areas and on the other ensure that their distribution infrastructure also reaches rural areas.

Forecast of two wheelers market in India

Indian two wheelers market is likely to grow in pace with the growth of the infrastructure sector and; finance schemes are a big positive as they put higher disposable income in hands of buyers.

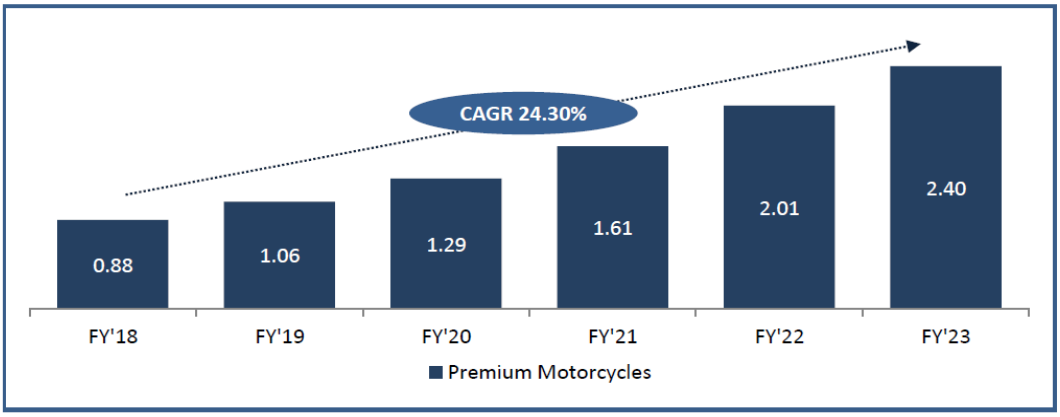
Following chart shows forecast of two wheelers market in India for Fiscal 2018 - Fiscal 2023:



Source: Frost & Sullivan Analysis and SIAM, Nos. In million

Domestic market is expected to grow at CAGR of 7.40% over the next five years. However, scooter sales are expected to grow at much higher rate at on the back of steady urban demand. It is estimated that scooter segment would grow at CAGR of 11.86%. The motorcycle segment is expected to recover and witness growth at CAGR of 5.4% over the next five years. Premium motorcycles will also help to grow the domestic motorcycles market. It is estimated that premium motorcycles segment will grow at CAGR of 24.30% till Fiscal 2023.

Following chart shows forecast for premium two wheelers market in India for Fiscal 2018- Fiscal 2023:



Source: Frost & Sullivan Analysis and SIAM, (in million)

MARKET ASSESSMENT FOR TWO WHEELERS HELMET INDUSTRY

Two wheelers helmet market industry

Global Market

There is a rising demand for premium helmets due to increase in the number of riders, technological advancements, strict enforcement of helmet laws. These factors are boosting the market growth for helmets worldwide. Over the next three years, the global two wheeler helmet market is expected to grow at CAGR 10.4%

Asia Pacific market is projected to be the fastest growing market due to the production of bikes at affordable prices followed by Europe due to the continuous increase in the motorcycle permits in European countries.

Arai Helmet, Lazer Helmets, Schuberth, Shoei, Nitro Racing, AG, HJC Helmets, Bell Motor Company, Nolan, Shark Helmets, Suomy, Airoh and OGK Kabuto are globally recognised two wheeler helmet brands are providing helmets with different styles and price points.

There is a growth in both premium two wheeler helmet market and regular/ mass quality helmets. Europe, North America and Japan are the major markets for premium helmets worldwide. Premium motorcycle helmets are comparatively high priced and are made of a superior-quality material such as carbon fibre which is light weight and comes with high tensile strength. These helmets may be equipped with various features such as Bluetooth and GPS.

The average motorcycle buyer is very different in the developed markets of North America and Europe and the emerging markets like India and Indonesia. In the developed markets, the high capacity performance bikes form a high percentage of sales and are bought majorly by enthusiasts and not daily commuters. Whereas, in the emerging markets like India, commuter and entry level bikes starting from a 100cc engine comprise the maximum sales of two wheelers. The global average price of premium motorcycle helmets starts at US$ 250 onwards and due to their high cost, commuter bikers do not prefer buying premium motorcycle helmets.

It is estimated that premium two wheeler helmet market will grow at CAGR 7.66% over the next three years. Development of smart helmets that integrates health, wellness, and other connectivity features will be on the key trends in the premium motorcycle helmets market.

Domestic Market

Following table shows the snapshot of two wheelers helmet industry in India:

FISCAL	PRODUCTION	DOMESTIC SALES	EXPORTS	IMPORTS
FY'18	19.53 Mn Units	19.32 Mn Units	0.29 Mn Units	0.06 Mn Units

	Key players	Key export destinations	Key import destinations
	- Studds - Vega - Steelbird	- **South Asia:** Bangladesh, Pakistan, Nepal, Bhutan, Burma etc. - **Africa**: Nigeria, Tanzania, Mozambique, Algeria, Zambia etc. - **LATAM**: Colombia, Peru, Chile, Paraguay etc.	- China - Taiwan - Italy - Spain

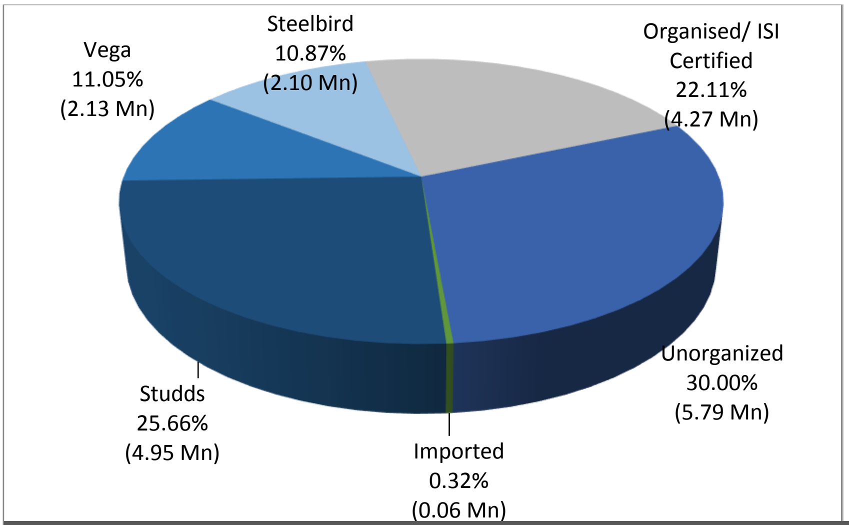
Figures rounded off to the nearest zero

Studds, a lifestyle and consumer discretionary company designing, manufacturing, and marketing a wide range and style of helmets and other wearable and non-wearable 2-wheeler lifestyle accessories, is one of the largest brand in the segment.

Helmet market in India is estimated at ₹13,950 million and the domestic demand for two wheeler helmet stands at 19.32 million units for Fiscal 2018. Studds, Vega and Steelbird are top three players in two wheeler helmet industry with a collective share of over 48% and Studds being the largest brand in the segment.

Unorganized players include local manufacturers/small scale industries that assemble helmet aggregates into finished products and generally do not have ISI certification. Unorganized segment accounted for 30% of total two wheeler helmets sold in Fiscal 2018. However, the contribution is bound to go down in future as GoI, in its bid to reduce road fatalities, will make it mandatory for all helmet manufacturers to obtain Indian standards certification from the Bureau of Indian Standards (BIS) for headgear and make sale of non-ISI helmets for two wheelers an offence from end of 2018. Further, sale of helmets using fake ISI mark will attract high penalty.

In terms of exports, Studds, Steelbird and Vega being key exporters of helmets from India. South Asia and Africa are key countries to which helmets from India are exported. Studds being the largest manufacturer of helmets and the sole manufacturer of premium helmets in India exported about 2, 12,346 units in Fiscal 2018 including exports to European Countries. Vega and Steelbird put together exported 53,000 units in Fiscal 2018, mainly to the South Asian countries destination.

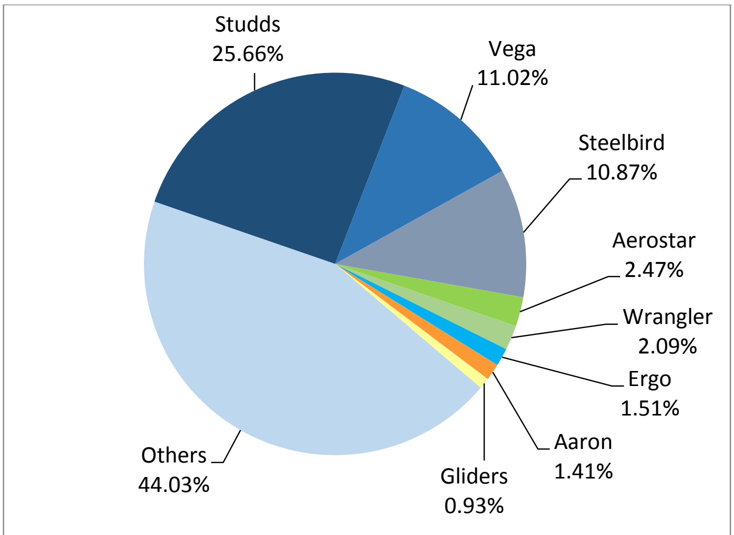


FY'18 Volume: 19,320,049 (19.32 Mn Units)
FY'18 Value (E): ₹ 1,395 Cr.

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

Currently, imports account for 0.3% of total helmets sold in Fiscal 2018. Key imported brands present in India include LS2 (China), THH, Sol, Zeus (Taiwan), MT, Axxor, AGV (Italy), Bell, Revolt, Scorpion, HJC (USA), Shoei, Arai (Japan) and Shiro (Spain). Currently, LS2, Axxor, MT, THH and Sol are brands dominating the Indian market.

Following chart shows the estimated market share by key players:



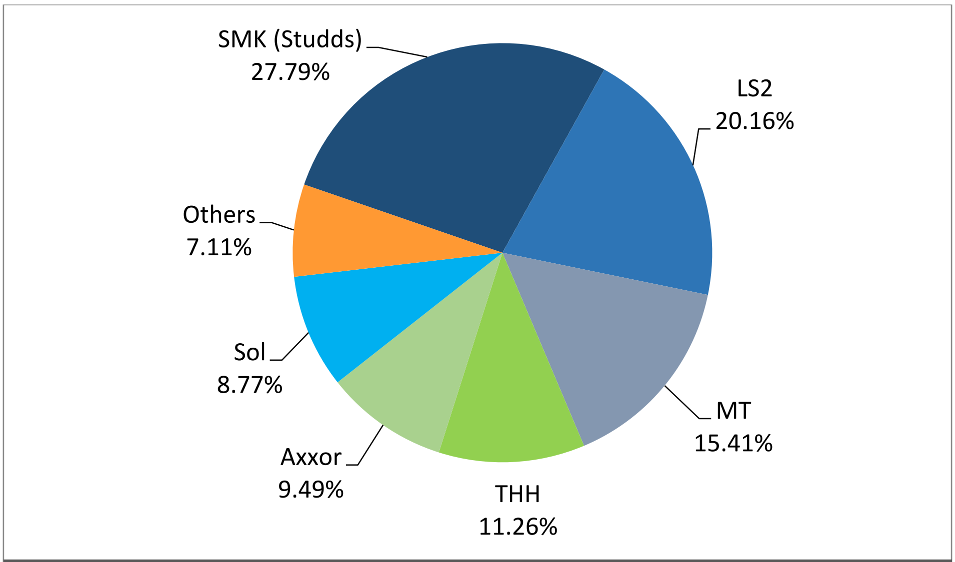
FY'18 Domestic: 19,320,049 (19.32 Mn Units)

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

Studds is the largest manufacturer in the industry globally with a manufacturing capacity of 20,400 helmets per day and annual turnover of over ₹ 3,364 million. Studds sold over 5 million two wheelers helmets in Fiscal 2018 and currently holds more than 25 % share in domestic two wheelers helmet industry. Currently, Studds is already the largest two wheeler helmet manufacturer globally.

Steelbird and Vega will also expand manufacturing capacity to 21,000 units (currently 14,000 units) and 20,000 units (currently 12,000 units), respectively. These two are the second largest manufacturers for helmets in India, controlling over 22% share of the market. Other organized players like Aerostar, Wrangler, Ergo, Aeron, Gliders are also making their presence felt across the country.

Following chart shows estimated market share by key players for premium helmets:



FY'18 Domestic: 84,336 Units

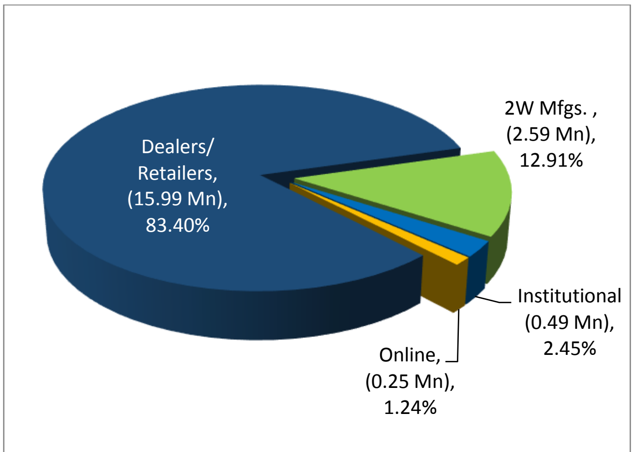
Source: Frost & Sullivan Analysis
Other brands include: Zeus, Shoei, Shiro, AGV, Arai, Bell, Revolt, HJC, Scorpion, Nolan etc.

With increasing demand for premium motorcycles in India, market for premium helmets has grown over the past few years. The market grew 37 % over the last year with sale of 60,500 units in Fiscal 2017 to 84,336 units in Fiscal 2018. Helmets priced above ₹ 3,000 are classified as premium. Helmets from brands like AGV, Bell, HJC, Revolt, Arai etc., are priced above ₹ 15,000.

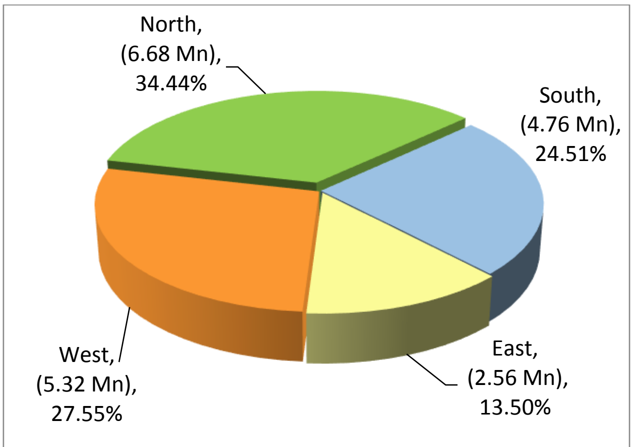
The premium helmet segment is primarily dominated by imported brands and Studds is the only manufacturer in India having a presence with a locally manufactured brand named SMK and has a market share of 27.7% making it a market leader in premium motorcycle helmets. Vega represents Axxor and Shiro brand in India but does not manufacture them in India.

Local distributors represent imported brands for the entire product range of respective brands including helmets. The buyers of premium brands are well informed and are inclined towards using spares of the same brand as the helmet and availability of such spares is a key factor contributing to their success. Brands like MT and THH have gained popularity in the past 2 years.

Following charts shows estimated market channel and region for sale of helmets:



Channel Sales FY'18: Volume - 19.32 Mn



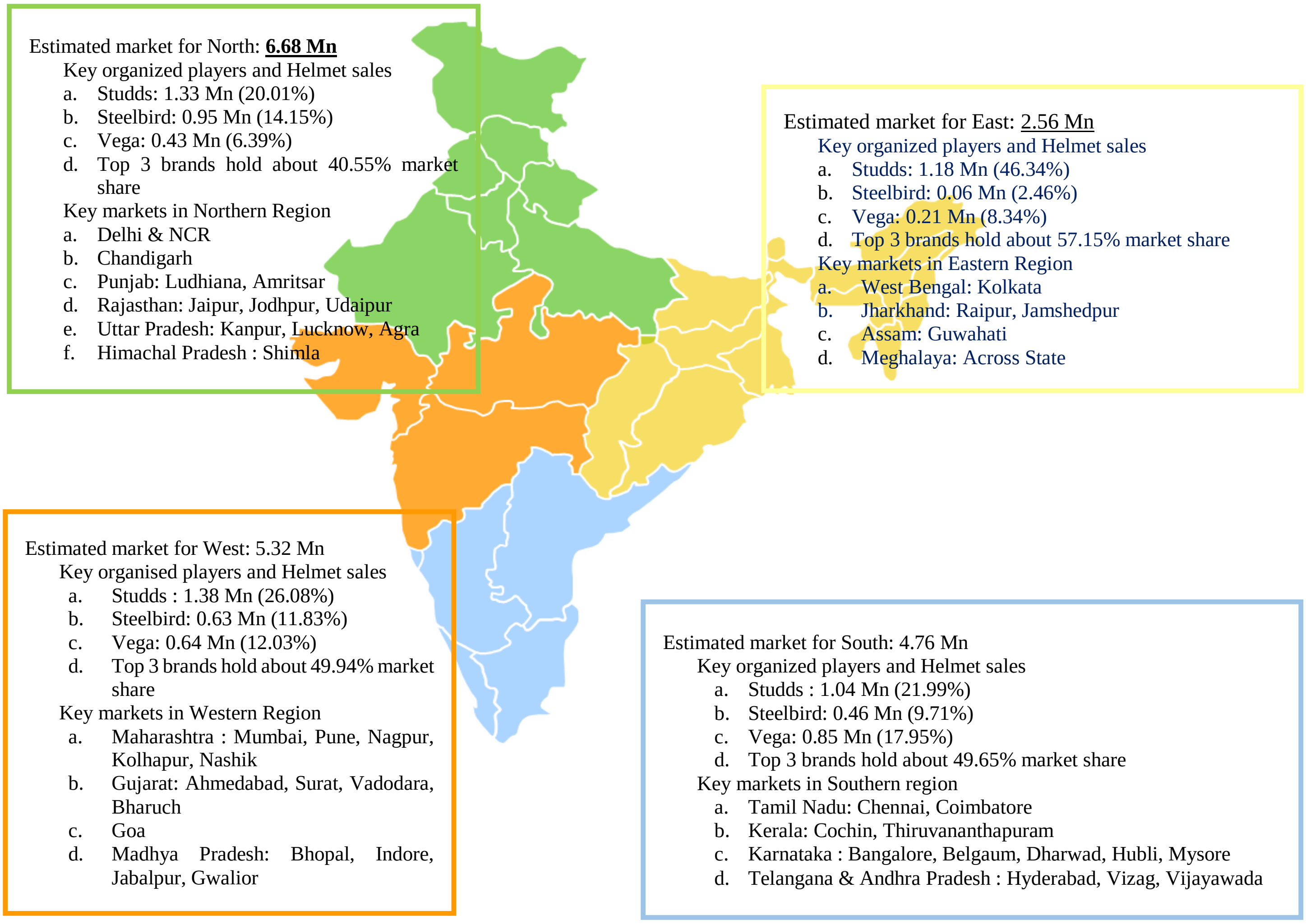
Region wise Sales FY'18: Volume - 19.32 Mn

Source: Frost & Sullivan Analysis, Figures mentioned in bracket are total volumes in Million

Currently the dealers/retailers channel is most preferred by end users. Dealers/retailers counter sales contribute almost 83% of total helmets sold in the country. Online sales currently contribute less than 1.5% but according to industry participants it is expected to increase by 10-12% over the next five years.

The demand in Northern and Southern India is high due to strict laws such as mandatory rule for pillion riders to also wear helmets in certain cities. While in the western part of the country, although wearing helmets is mandated by law, the implementation is lax. Moreover, it is not a compulsion for the pillion riders to wear helmet.

Following chart shows the region wise sales- key helmet manufacturers:

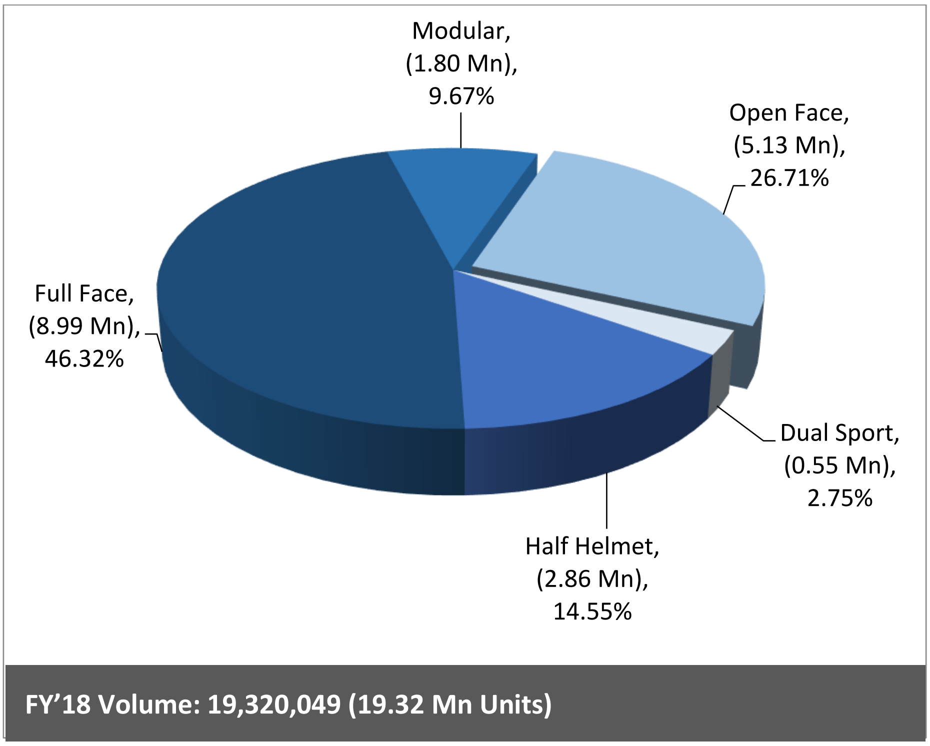


Studds is widely spread across the country with over 20% market share in each region. It has a strong hold in the Northern and Western region with 55% of the total sales being dedicated to these regions. While Vega is a strong competitor for Studds in the South, its competitor in the North is Steelbird. Studds has a presence not only in urban, semi-urban areas but in rural parts of the country as well. It has a strong position in the institutional segment (governments, police, central police stores) too.

50% of the total two wheelers helmet demand comes from Delhi and NCR, Chandigarh and Rajasthan due to strict helmet-wearing rules. In Southern India the key demand comes from cities like Bangalore, Hyderabad, Cochin, Thiruvananthapuram, Chennai and Pondicherry.

In the Western region Mumbai, Nagpur, Pune, Ahmedabad, Surat, Vadodara and Goa are the key demand centers along with Meghalaya and in the in Eastern region due to the legal mandate to wear helmets. Cities like Ranchi, Patna, Guwahati, Kolkata and Imphal also contribute to the demand in the Eastern region.

Following chart shows the estimated market by type of helmets:



Source: Frost & Sullivan Analysis

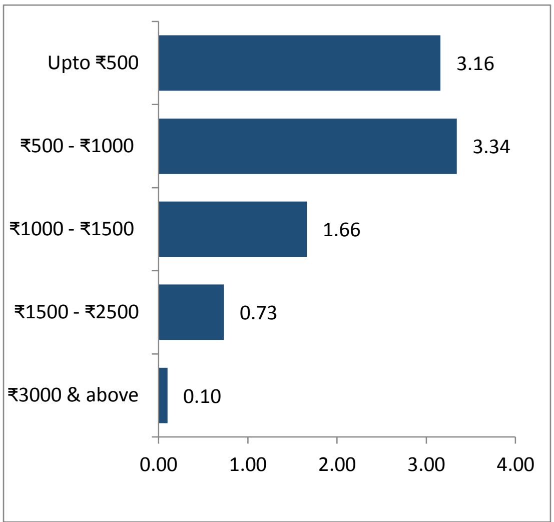
The demand for full-face type helmet is across the country. Currently, full-face type helmets contribute 46.32% while open face helmets contribute 26.71% of the total volume.

Full-face helmets are common across India and account for 46.32% of total two wheelers helmets sold in the country. Among the youngsters in urban areas the modular/ flip-up and dual sport helmets are more popular due to flexibility and designs offered.

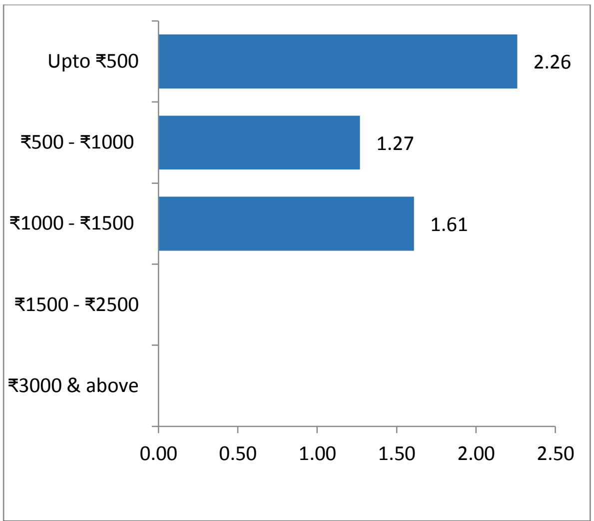
Open face helmets are generally less stifling and less expensive than full-face ones and allow the rider plenty of room to breathe. Open face helmets are a better choice for riders that feel suffocated by a full face helmet. The half helmets/cap type are generally popular among the ladies due to handling convenience and in cities/regions where it is compulsory for the pillion rider to wear helmets.

All helmet manufacturers in India manufacture full face helmet, open face and cap type helmets. Other than top three players only select players manufacture modular and dual sport type helmets such as Aaron, Spark Gliders, Virgo, Armex, Rex (dual sport only).

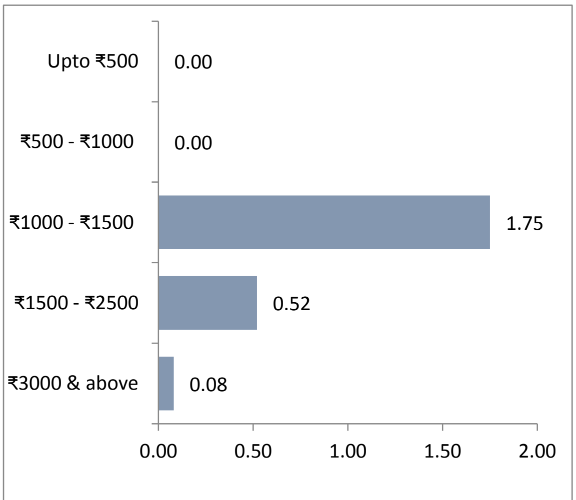
Following charts shows estimated market by type of helmets at various price points:



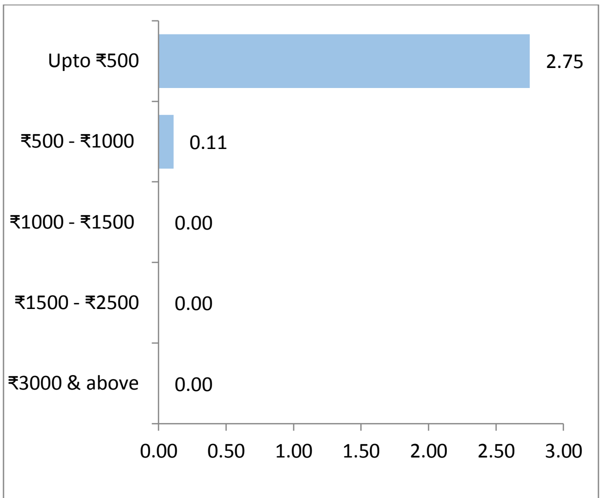
FY'18 Volume - Full Face Type: 8.99 Mn



FY'18 Volume - Open Face Type: 5.13 Mn



FY'18 Volume - Modular and Dual Sport: 2.35 Mn



FY'18 Volume- Half Helmets/ Cap Type: 2.86 Mn

Source: Frost & Sullivan Analysis, No.s in Mn

A total of 3.34 million units of full-face helmets were sold Fiscal 2018 within the price range of ₹ 500 to ₹ 1,000, which is the most preferred price range for full-face type of helmets. The unorganised segment players sell their helmets at price less than ₹ 500. The maximum price quoted for open face helmets is ₹ 1,500. In Fiscal 2018, 2.26 million units of open face helmets were sold at a price ₹ 500 and 1.27 million units in the price range of ₹ 500-₹ 1,000

A total of 2.35 million units of the modular and dual sport type helmets were sold in Fiscal 2018 and are mainly popular among young urban riders. About 1.75 million units of modular and dual sport type helmets, which are 75% of the total; were sold in the price range of ₹ 1,000-₹ 1,500. About 2.75 million units of half helmets or cap type helmets priced up to ₹500 were sold during Fiscal 2018.

Key Drivers and restraints in demand for helmets

Market Drivers

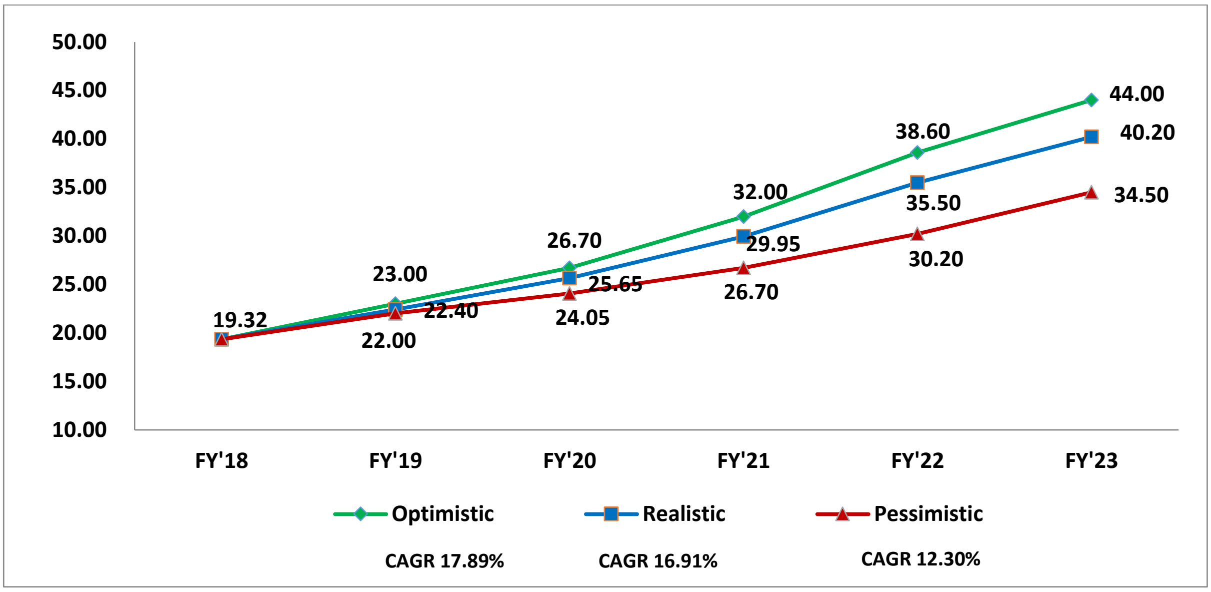
- Rising regulatory pressures and strict implementation of state government rules and regulations to wear helmet.
- Increasing awareness among two wheeler riders to wear helmets.
- Growing replacement market as frequency of changing the helmets is increasing in urban areas due to new designs and graphics being introduced.

Market Restraints

- The repeal of law which makes wearing of helmets compulsory will have an impact on the demand for helmets.
- Lack of implementation of the law mandating the riders to wear a helmet in a few states by their respective governments.
- The tendency among riders to wear helmet only to avoid paying fines rather than as a safety measure to avert accidents.

Forecast: two wheelers helmets market

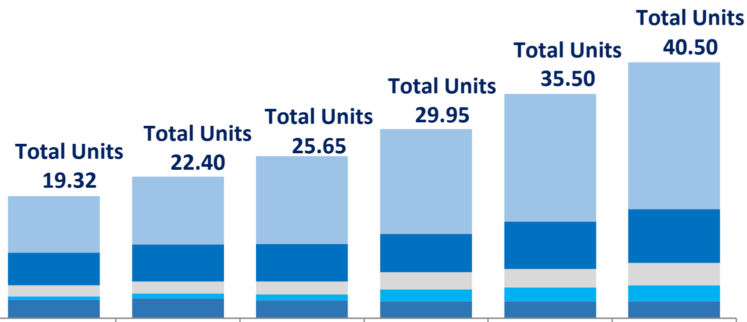
Following chart shows forecast for two wheelers helmet industry for Fiscal 2018- Fiscal 2023 (in million):



Source: Frost Sullivan Analysis, Nos.in million

It is estimated that market will grow at CAGR of 16.91% (realistic scenario), if regulations are strictly implemented. Given the rising pressure for strict law implementation, the demand is bound to grow over 17.89% CAGR in the next five years. The replacement market for helmets will also help industry to grow in the future.

Following chart shows forecast for two wheelers helmet by type for Fiscal 2018 to Fiscal 2023 (realistic scenario):

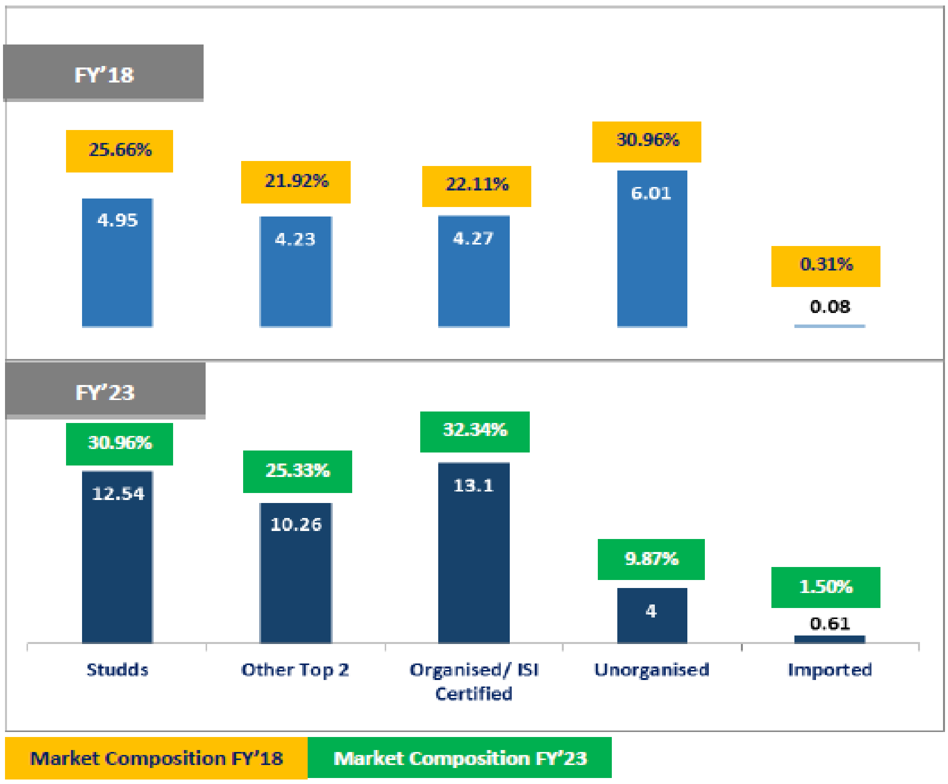


	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23
Full Face (CAGR 20.16%)	8.99	10.71	13.93	16.61	20.24	23.25
Open Face (CAGR 9.73%)	5.13	5.88	5.90	6.05	7.47	8.51
Modular (CAGR 12.78%)	1.80	1.95	2.08	2.76	2.95	3.54
Dual Sport (CAGR 35.91%)	0.55	0.72	0.90	1.84	2.18	2.55
Half Helmet/ Cap type (CAGR -1.92%)	2.86	3.15	2.85	2.70	2.66	2.65

Source: Frost & Sullivan Analysis, Nos in Mn

Since the full face type helmet provide complete protection, they will always be in demand. By Fiscal 2023, the demand is expected to rise from current 8.99 million units to 23.25 million units especially due to the gaining popularity among motorcycle commuters in metro and tier I cities for modular/ flip-up type helmets. Volumes for both these types together will grow from current 2.35 million units to 6.10 million units by Fiscal 2023. Open face will be one of the preferred types due to their handling convenience and size. However, the government may ban half helmet/cap type helmets in the future as it does not provide required protection.

Following chart shows the forecast for two wheelers helmet by various segments Fiscal 2018 to Fiscal 2023 (realistic scenario):



Along with the urban and semi urban, there will an increased demand in the rural area as well and those helmets with ISI certification will particularly be in demand due to the government policies regarding quality to ensure safety resulting in growth of organized brands/ ISI certified manufacturers. The top three brands will contribute to 55% of the total sales and the brands like Wrangler, Ergo, Aerostar, and Gliders etc. will gain traction once the government mandates ISI marked helmets. Currently, organized brands/ISI certified manufacturers hold 22.11% of market; by Fiscal 2023 they will hold 32.34% of sales in the domestic market

The increase in sale of premium motorcycles will result in massive increase of demand for imported and premium helmets. The sales will touch 0.61 million units in Fiscal 2023 from the current 0.08 million units. Global brands strategy will be to tie-up with local helmet manufacturers or find potential partners as their representative for Indian market. International brands like Axxor and Shiro have already tied-up with Vega, one of the top three players operating in India. Vega is currently selling international brands through its current network.

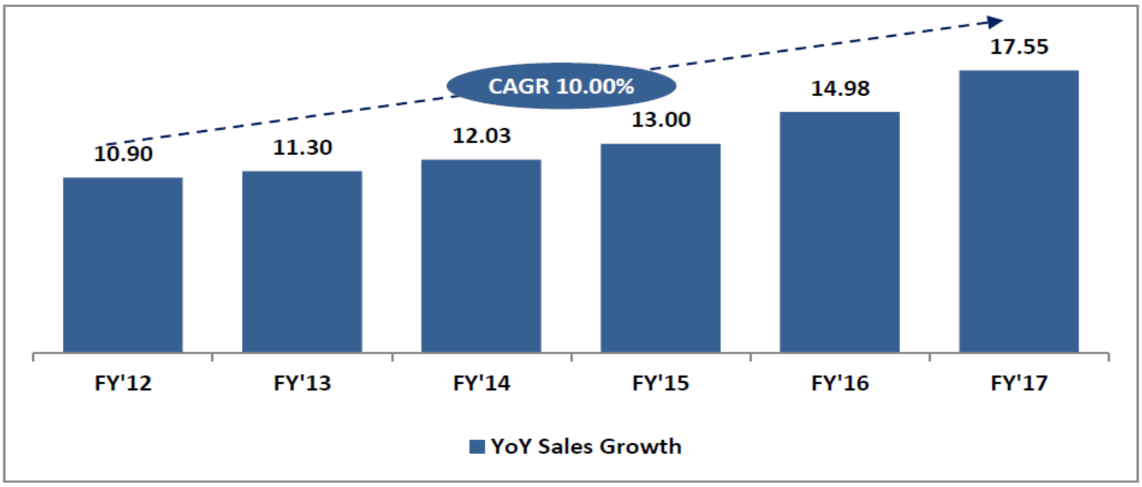
Helmet Industry in India

India has one of the largest manufacturing industries for two wheelers helmets globally. Indian two wheelers (helmet and accessories) market is divided into two categories – organized and unorganized. In 2012, the organized segment accounted for 45-50% of the total two wheelers helmet industry. However, there has been a gradual change in the past years and as of 2018, the organized segment accounts for 70% of the total two wheelers helmet market.

India has one of the largest and most competitive manufacturing industries for two wheelers helmets with current manufacturing capacity of 35 million helmets per annum. In the last five years, key players like Studds, Vega and Steelbird almost doubled their production. India is one of the prominent countries exporting helmets to countries in African and South Asian Region. The total imports were about 60,900 units in Fiscal 2018.

ISI certified/marked helmets are mainly sold in urban areas, whereas local helmets are cheaper, hence popular in rural area. Recently, the GoI announced that the sale of non-ISI helmets for two wheelers would become an offence by the end of this year.

Following chart shows the domestic sales growth in two wheelers helmet segment:



Source: Frost & Sullivan Analysis, Nos. in Million

Two wheelers helmet industry has grown at CAGR of 10% over the past five years. Increasing awareness among riders and government initiatives helped it to grow. The High Courts of various states had made it compulsory for bike riders and those riding pillion to compulsorily wear a helmet. The state governments have the responsibility to ensure that the directions of the High Courts are implemented.

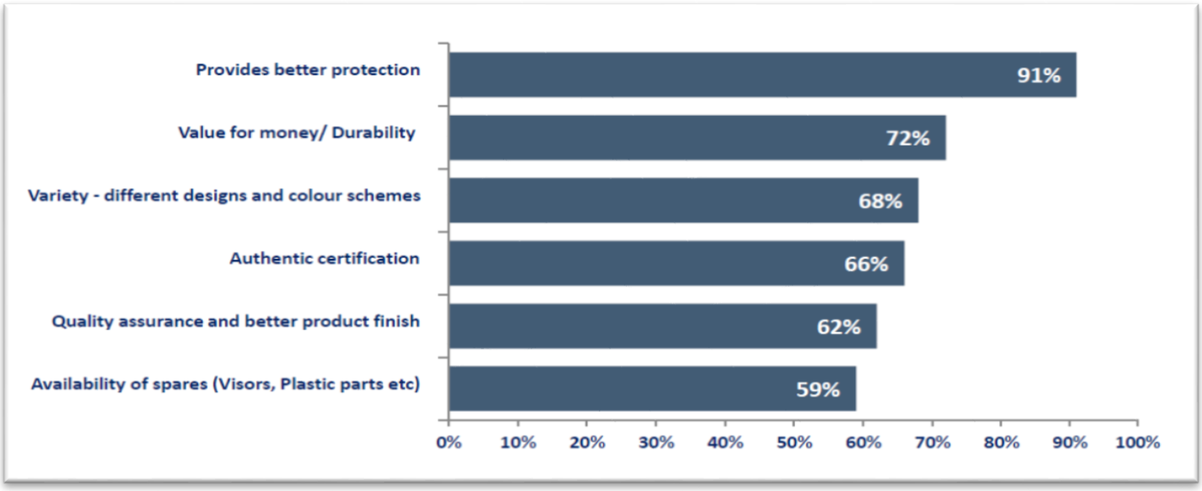
Strict enforcement of laws and state government mandate for the pillion riders to wear helmets ensure high demand for helmets in Northern and Southern India. In western region, the implementation of laws is comparatively weaker. Urban and semi-urban areas see strong demand, while the rural market will grow on the back of government mandates.

Two wheelers account for a major share of road accidents in India, hence the use of helmets is crucial to improving safety standards. With 1.5 lakh people dying on Indian roads in 2015 due to accidents, motor safety has become a top priority for the government. Due to growing emphasis on safety, the Government of India ("**GoI**") has made it mandatory for two wheeler users to wear helmets in major parts of India. The state governments are being supportive in implementing the initiatives taken by the GoI. India, being the world's largest market for two wheelers, provides huge opportunities for growth to not only helmet manufacturers but equally to manufacturers of two wheeler accessories.

Awareness Levels of two-wheelers users/ owners regarding helmets

Due to non-existent attitude towards safety, the brand awareness is low among the tier II and tier III-city customers. The customers who buy helmets in tier II and III cities use such helmets for more than six years. 80% of the total buyers are not brand sensitive, however when asked unaided, majority of the customers referred to Studds, Vega and Steelbird as top brands. Wrangler and Volga brands have the maximum brand recall among customers from South India while Gliders, Aerostar, Aaron and Ergo are well-known brands in Northern and Western parts of the country. Customers who are well educated and brand conscious such as biker communities and youngsters with fancy motorcycles are more aware of the imported brands. Some of the key imported brands include LS2, MT, SOL, HJC, AGV, Shark, Bell etc.

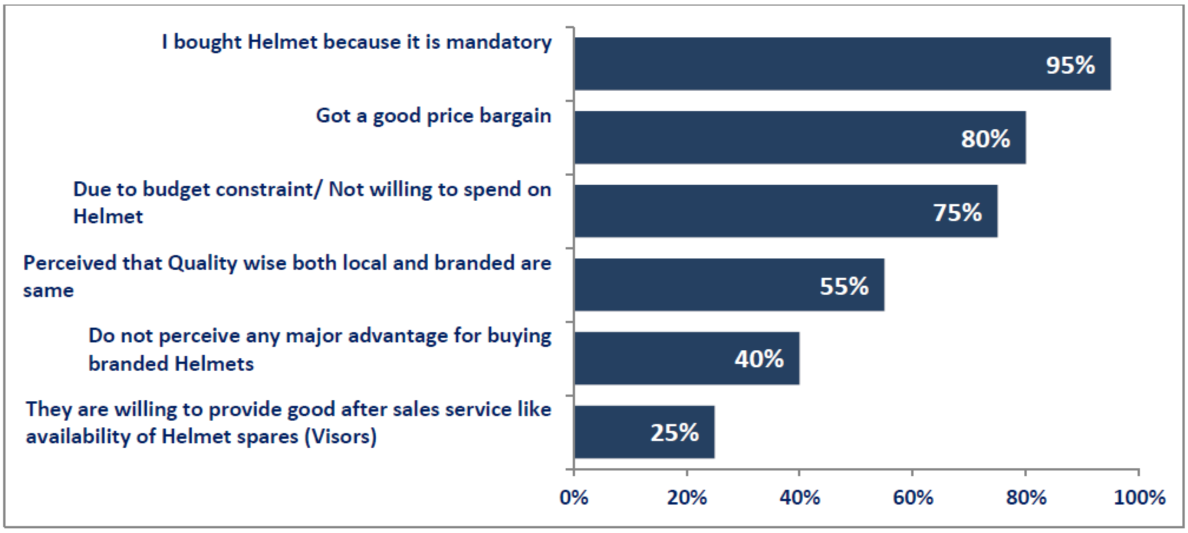
Following chart shows key reasons for purchasing branded/ quality helmets:



Source: N-100: Base- All Respondents. All figures in % (Those who had purchased branded helmets)

It is perceived that branded helmets provide better protection and durability. End users/customers consider branded helmets to have value for money. Two wheeler owners in the age group 25-40 years are relatively more concerned and aware about quality of helmets; while the age group aged between 18-25 is more concerned about value for money of the products. The new riders, first time buyers prefer variety, designs and better product finish. However, the first time buyers are not willing to spend on helmets.

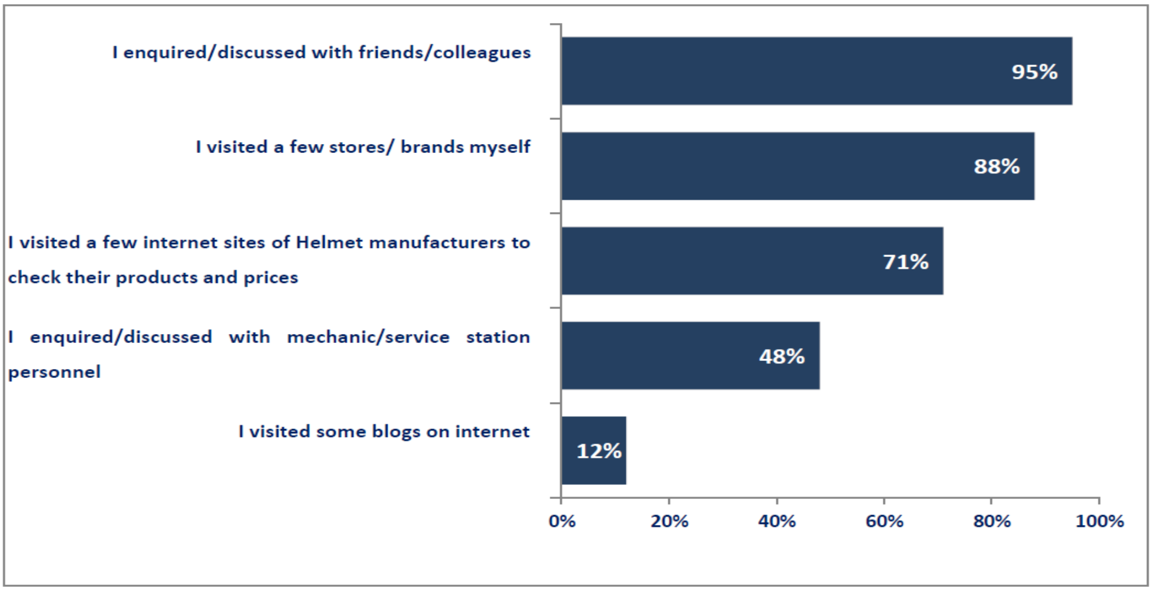
Following chart shows the key reasons cited for buying low cost helmets:



Source: N-100: BASE- All Respondents. All figures in %

Those who had purchased local / low cost Helmets instead of branded ones

Following chart shows activities conducted before buying helmet by customers:



Source: N-100: BASE- All Respondents. All figures in %

Generally, when buying helmets, about 95% consumers rely on their discussions with friends and colleagues in their decision to buy helmets. Majority customers visit local shops and online stores to buy helmets. Young bikers between the age of 21 and 25 years prefer visiting more shops before they finalize the helmet to buy. Age group up to 40 visit the online websites to browse brands, online reviews, designs and different type of helmets before buying helmets.

Although the final decision is taken by the individual, a retailer influences in the buying process to a large extent.

The consumers are of the opinion that certain features such as removable linings (hygiene factor), proper vents, and availability of spares play a role in their choice of helmets. However, they are not particular about uniqueness of the helmet. Currently, availability of spares for discontinued helmet models is an issue which requires support from the manufacturers

Future market challenges for helmet manufacturers

1. ***Right quality***

Two wheelers helmet market is mainly driven by word of mouth publicity and need handholding to understand the right quality of helmets. About 70-80% of customer/riders have minimal awareness about quality of helmets available in the market and it would be a challenge to educate them.

2. ***Finding right partners***

Finding right channel partners, who can promote the product in the right manner along with maintaining exclusivity or loyalty for brand a key challenge.

3. ***ISI standards***

Though organized/ small players have ISI certifications they are still unaware of the manufacturing quality of helmets. These players also lack modern infrastructure such as quality assurance and testing labs.

4. ***Product variety***

The variety of the material used to manufacture helmets, their designs and colours play an important role when a customer buys a helmet. Thus, a helmet manufacturer needs to be very active in market and satisfy the needs of customers and it is a key challenge to cater to customer needs in timely manner.

Impact of goods and service tax ("GST") on two wheelers helmet industry

- The GST slab is expected be revised for helmets as the helmet manufacturers and their various associations (All India Helmet Manufacturers Association, ISI Helmet Manufacturers Association) are in discussions with the government to reduce GST slab for helmets.
- In the opinion of the helmet manufacturers associations the government ought to have pressed for helmets to be placed under the 0% GST slab to make them more affordable.
- Placing of helmets under the 18% GST slab had a positive effect on helmets sale but further reduction of GST for better penetration of helmets sale.
- Although the impact of the GST was initially negative, however, the industry is gradually picking-up.
- The non-branded/unorganized market for two wheelers helmets is expected to decline due to the introduction of GST.

Two wheelers helmet replacement market

- Depending upon the quality of the helmets, the customers generally replace their helmets once in three to four years.
- However the holding period is six to seven years for premium helmets priced above ₹ 3,000. The ease of availability of spares like removable inner linings; visors etc., and provision of spare helmets for local usage are some factors which contribute to the long holding period of premium helmets.

Competition Assessment for helmets in India

Two wheelers helmet industry is highly fragmented. ISI certified manufacturers apart from the key players and unorganized players command over 40% market share. Delhi forms the major hub for two wheelers helmet manufacturing industry.

There are about key nine organized manufacturers in the country. Studds, Vega and Steelbird are the top three players and also manufacture helmets for two wheelers manufacturers under their brand names. Key manufacturers have presence across the country and operate through exclusive channel partners across the nation. Key players have exclusive company owned helmet and accessory showrooms at select locations in the country.

There are about four key importers in India representing key imported brands. Laxmi Automobiles, based in Pune (Maharashtra) represents LS2 brand; Spartan Pro-Gear based out of Chennai (Tamil Nadu) represents MT brand; Royal Riders and Accessories represents Sol brand and is based out of Mumbai (Maharashtra). THH brand has direct presence in India and owns company warehouse in Thane (Maharashtra).

It is estimated that currently, there are more than 150 unorganized manufacturers operating in India. Northern India has the highest number of unorganized manufacturers. The main markets where unorganized players operate are surrounding regions/ areas and small cities across states. They do not have organized distribution structure. Also these players lack proper manufacturing set up and do not have modern manufacturing facility for quality checks and testing, majorly assemble the helmets. None of the helmet parts are manufactured in-house by unorganized players.

Key challenges for helmet manufacturers

- Prominent players like Studds, Vega and Steelbird are facing challenges of counterfeit products tampering their brand name and indirectly effecting their sales.
- Competition from sub-standard ISI helmet manufacturers who sell helmets at throw away prices.
- No action from "Helmet Action Committee" to prevent local helmet manufacturers producing sub-standard quality helmets.
- Lenient attitude toward rule implementation by most state governments and local RTOs, also low awareness among customers in semi-urban and rural area regarding quality helmets and population in these areas is price cautious.
- Even though the Supreme Court has given a green signal to implement the new law to force customers to buy a new will helmet with every new two wheeler' purchase: in most cities of India it is not implemented.
- ÍSI helmet Manufacturers Association is in discussion with GOI to make wearing a helmet compulsory throughout the country instead of buying one with every new two wheeler.

Future of non-ISI helmets

- Riders often use locally manufactured, non-ISI headgear across country, mainly as a facade to avoid prosecution.
- The Motor Vehicles Act, 1988 makes it mandatory for all two wheeler riders to wear ISI-marked headgear, but the implementation of such rule is not effective.
- The Road Transport and Highways ministry is considering asking the BIS to bring ISI helmets for two wheelers under the mandatory list.
- The Road Transport and Highways ministry's committee recommended that mandatory ISI marking scheme should be implemented to eradicate the thriving substandard helmet market while also suggesting heavy penalty for its effective implementation.
- It is understood that going forward there will be compulsion for all helmet manufacturers to have certified ISI mark which may reduce the number of non ISI helmet manufacturers.

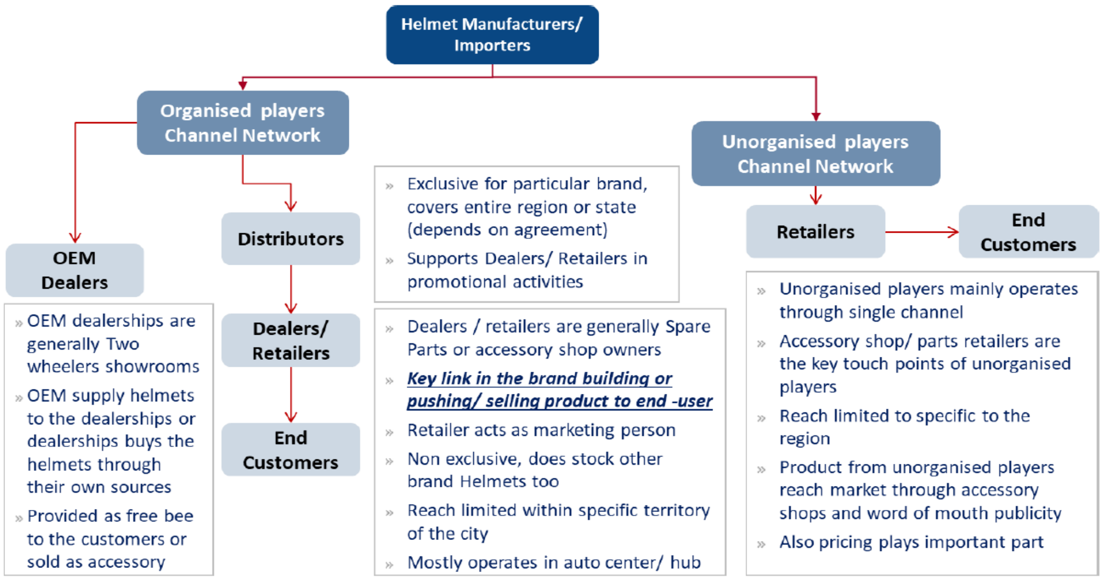
Impact of online sales

It is observed that the online sales have not impacted the traditional channel. When an online order is placed, the customer is unable to check the authenticity, touch and feel the fit and finish of the product. Also lead time is important for customers. The helmet buying decision considered decision as majority of the buyers are buying for the first time buyers. Currently, online sales contribute only 1.25% of the helmets sold in Indian market but is expected to grow 5-6% in the next five years.

Following table shows the strength and weakness of top three brands:

Brand	Strength	Weakness
Studds	• Currently largest manufacturer in India in terms of manufacturing capacity and market share • Variety of graphics and colour options higher than other competitors • Strong network and spread across country	• Supply constraints
Vega	• Good Brand Image in India as well as in overseas market • High quality products and follows latest unique styles • Strong presence in western and southern region	• Currently focus more on exports • E-marketing techniques currently weak
Steelbird	• First 2W Helmet manufacturer in India, strong brand recall • Innovative products • PAN India distribution channel together with presence in 2-tier and 3-tier cities	• Helmet spares availability is weak for discontinued models • Few helmet models costlier when compared with key competition brands

Following chart elaborates on the working of organised and unorganised manufacturers:



OEM dealers are two wheeler showrooms who buy helmets from organized players like Studds, Vega, and Steelbird. The organized brands also appoint exclusive distributors/dealers to cater to a particular region or state and help their channel partners in promotional activities. The channel partners are players who build the brand by supplying to the end user. However, there is no variation observed in distribution structure for particular region or city.

The unorganized players operate mainly through retail shop or single channel resulting in increased margins and low prices.

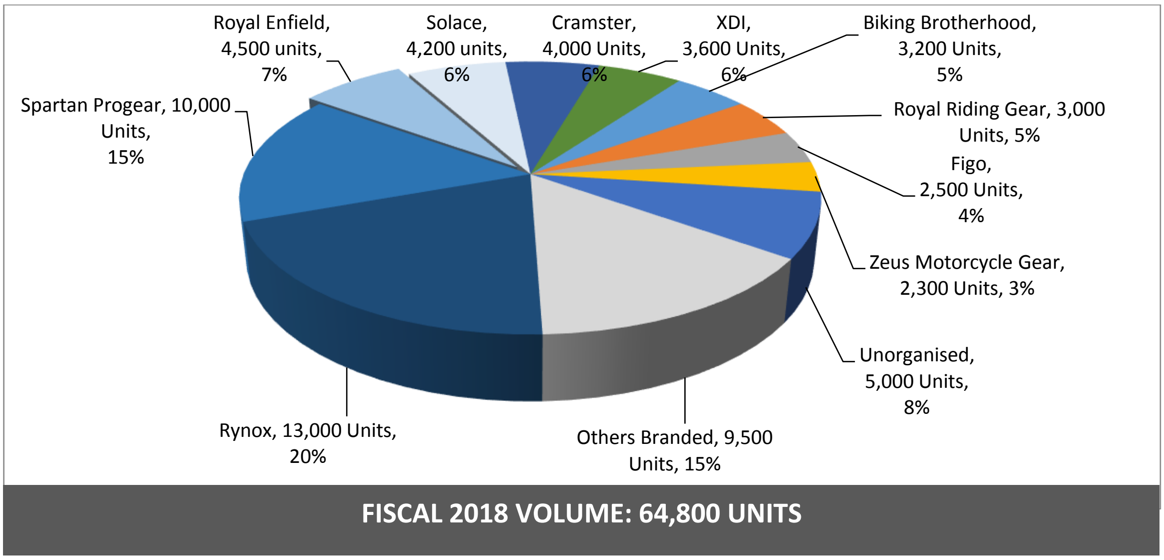
OVERVIEW OF THE TWO WHEELER SAFETY GEAR AND ACCESSORIES MARKET

Overview and current market for riding jackets and gloves

Markets for riding jackets

Riding jackets are important piece of gear any biker must have as they are designed to protect rider's elbows, shoulders, spine and chest in case of crash.

Following chart shows the estimated market for riding protective jackets:



Source: Frost & Sullivan Analysis, Figures mentioned in bracket are total volumes sold
Other branded includes: Alpinestar/ DSG, Revit, Scoyco, Joe Rocket, Moto Torque, Moto Gear etc.

Current market for riding jackets in India is estimated at 64,800 units. Rynox is the market leader in the segment with market share of 20% followed by Spartan Progear with 15% market share and Royal Enfield with 7%. The market for riding jackets is currently not very high, however it is expected to grow.

Fast moving products and price range

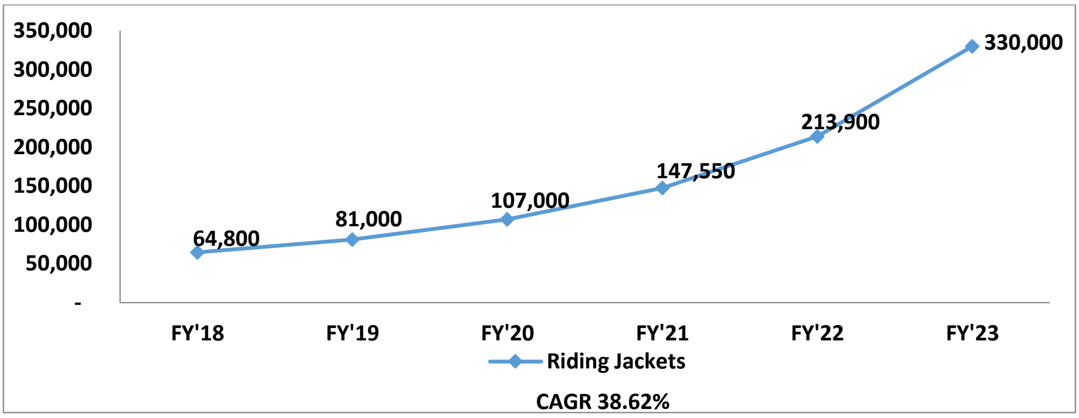
Dealers / retailers generally offer 5-10% discount on maximum retail price for products ranging between ₹ 4,500-₹ 7,000. About 12 -15% discount is offered to customers on products with maximum retail price above ₹ 8,000.

Following table shows the pricing range of jackets:

Brand	Fast Moving Model 1	Fast Moving Model 2	Fast Moving Model 3
Rynox	Urban - MRP ₹ 6,850	Air GT v2.0 - MRP ₹ 5,999	- Tornado Pro - MRP ₹ 7,950
Spartan Progear	Scimitar - MRP ₹ 4,450	Aspida - MRP ₹ 5,000	- Aspida Aura - MRP ₹ 6,450
Royal Enfield	Pushkar - MRP ₹ 7,000	Safari Touring - MRP ₹ 7,500	
Solace	Reywish Mesh - MRP ₹ 4,850	Sprint Mesh - MRP ₹ 6,200	-
Cramster	Dyna - MRP ₹ 6,500	Breezer - MRP ₹ 6,800	-

80% of the riding jackets sold in India with Level 1 or Level 2 armor (paddings) are in the range of ₹ 4,500 to ₹ 7,000. Typically in countries like India all entry level jackets are equipped with Level 1 armor. They are integrated as part of riding jacket. Motorcycle jackets tend to last forever due to their naturally strong construction and wear resistant materials and hence there is no defined period for replacement of riding jacket.

Following table shows the forecast for two wheelers riding jackets for Fiscal 2018 - Fiscal 2023:



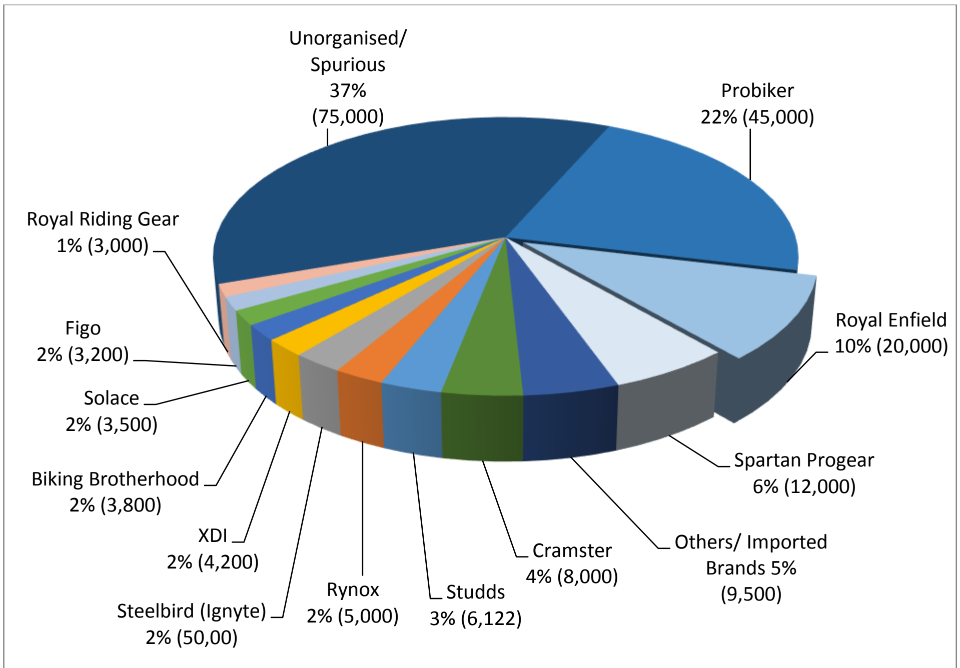
Source: Frost & Sullivan Analysis, No.s in Units

It is estimated that riding jacket market is expected to grow at CAGR of 38.62% and will touch about 330,000 unit sales in Fiscal 2023 due to of increasing awareness of safety and adoption of premium motorcycles. Moreover, the change in the biking culture in India will contribute to increase in demand for safety gears like jacket.

Gloves: Market estimations

Biking/riding gloves are important because they keep your fingers and palms protected. Apart from the protection factor they even keep you covered and allow for better grip to hold on to the bike. The palms of the gloves are made of extra friction material that allows the rider to hold on to the bike's handle and wring the throttle or pull on the break as per your convenience.

Following chart shows the eestimated market for riding gloves:



Fiscal 2018 Volume: 203,322 Pairs

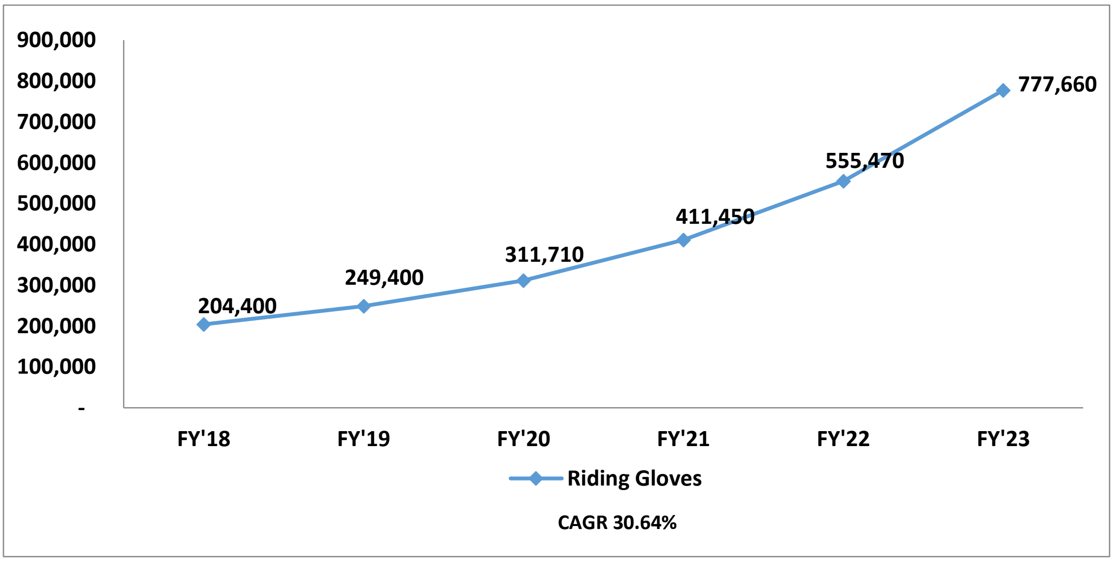
Source: Frost & Sullivan Analysis, Figures mentioned in bracket are total volumes sold
Other branded includes: Alpinestar/ DSG, Revit, Scoyco, Joe Rocket, Moto Torque, Moto Gear etc.

Motorcycle gloves are the most fast replaced item in a biker's wardrobe. Customerrs buy any Indian manufacturer or cheap imported brands from China glove rather than foreign brands, primarily due to ease in replacement and lower ownership costs. Today's gloves are stylish, flexible, yet armor-plated, lightweight and can be used for riding in summers and during winters.

In today's scenario, price ranges for Indian players like Rynox, Royal Enfield, Spartan, Cramster's is above ₹ 1,500 and is considered expensive. The preferred and fast moving price range for gloves are in the range of ₹ 300 to ₹ 600.

Riding gloves market is dominated by Unorganized/ Spurious brands holding about 32.00% market share. Pro Biker is one of the dominant brands for gloves from China. Pro Biker gloves are inexpensive and easily available across retail counters and these are available online as well. Typically Pro Biker brand gloves costs range from ₹ 250 to ₹ 500.

Following chart shows the forecast for two wheelers riding gloves Fiscal 2018- Fiscal 2023:



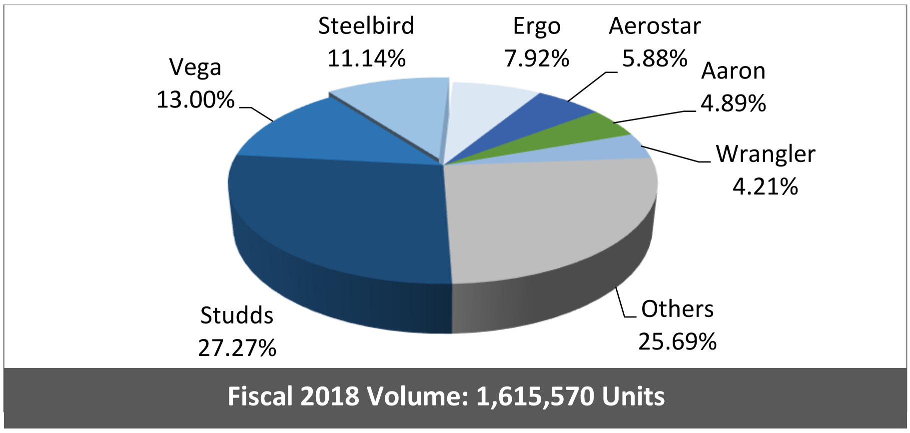
Source: Frost & Sullivan Analysis, No.s in Pairs

Riding gloves market is expected to grow at CAGR of 30.64% and estimated to touch about 777,660 pair sales in Fiscal 2023.

Overview and current market for Motorcycle Boxes

Motorcycle boxes which are sold in India are of two types: side boxes and rear top case. 95% of the total motorcycle boxes market is dominated by injection molding plastic boxes. Currently, Studds is the only manufacturer that offers rear top case/box in the market, also exports side boxes. Also Studds offers about 9 different models/ designs for side boxes and 1 model for top case/ rear box which is popular among Royal Enfield riders. Most of the top helmet brands in India manufacture side boxes for motorcycle.

Following chart shows the estimated market for motorcycle boxes:



Source: Frost & Sullivan Analysis, Figures mentioned in bracket are total volumes sold
Other includes: Local and Unorganized players etc.

Motorcycle boxes market is dominated by local and unorganized players. Unorganized players and other local players collectively hold 25.69% market share. Studds managed to emerge as the leader in the segment with market share of 27.27%. Vega, Steelbird Ergo, Aerostar, Aaron, Wrangler are the few leading helmet manufacturers who are also manufacturing motorcycle boxes.

Motorcycle side boxes are available in various colors and sizes. Black and red are fast moving. Side boxes with capacity of 11-15 litres are popular among customers. Side boxes are preferred by 100-125 CC motorcycle owners. Typically these side boxes are priced between ₹ 300-₹ 500 for average quality and ₹ 500-₹ 1,200 for top quality boxes.

OVERVIEW OF THE GLOBAL BICYCLE HELMET MARKET

Product overview and scope

Bicycles are the dominant means of transport in many regions, especially in developing and under-developed countries. Based on the structure and purpose for which bicycles are used, they are classified as utility bicycles, racing bicycles, fixed-gear bicycles, mountain bicycles, touring bicycles, cruiser bicycles, etc. There has been a paradigm shift in the manufacturing of bicycles from traditional purpose-specific bicycles to more comfortable and function-specific bicycles. Innovations have resulted in the introduction of new and exciting features regularly. Fundamental improvements in materials and design have taken place in the bicycle manufacturing process. Key application areas include basic transportation, fitness, racing, stunts, mountain biking, etc.

Cycling helmets are useful as safety gear to prevent or minimize injuries to the head and brain in an uncontrolled environment during riding a bicycle. Cycling Helmets can help absorb impacts and save rider's life. A typical helmet has two main parts: a hard outer shell and a soft inner liner. The hard shell is designed to spread the force of an impact over a broader area so rider's skull is less likely to fracture, while the soft liner is meant to squeeze inward and absorb the impact energy, so less of it is transmitted to rider's head.

Globally, bicycle helmets are classified into three types;

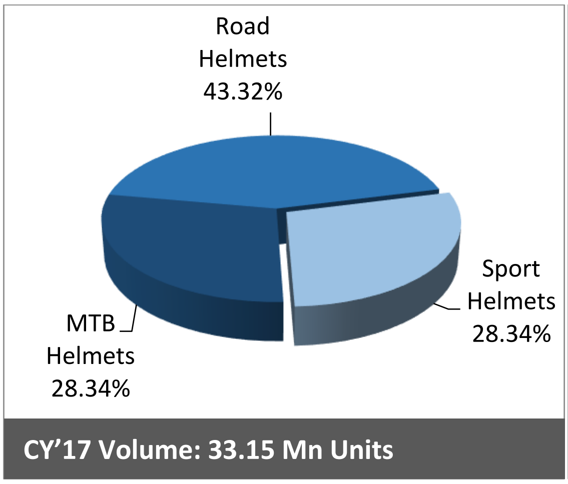
- MTB Helmets - Designed to ventilate well at low speeds; distinguished by their visors, enhanced rear-head coverage and a firm, secure fit for tackling rough terrain.
- Road Helmets - Road cycling helmets are used by road bike riders which are much lighter compared with mountain cycling helmets to decrease the resistance.
- Sports Helmets - Sport helmets are the helmets except the MTB helmets and road helmets mainly refer to the multi-use helmets, etc.

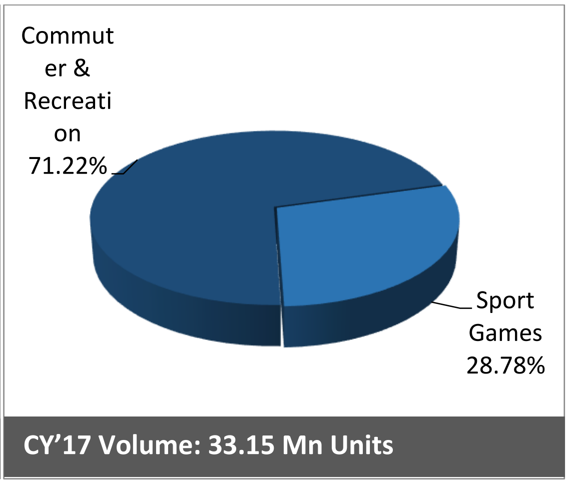
Global Market

Adoption of a healthy lifestyle among people has given rise to fitness consciousness. Increasing popularity of mountain biking as a sport has propelled the sale of bicycles. Additionally, rising fuel costs, increased congestion on roads, lack of parking space, etc., are some of the drivers expected to spur bicycle market growth in the near future. Moreover, bicycles are emerging as alternatives for shorter distance transportation that cause no pollution. All these factors are contributing towards the safety of rider and hence, there is an increase in the demand for bicycle helmets.

USA and Europe are the largest markets for bicycle helmets followed by China and Japan. The market for bicycle helmets is small when compared to the demand in developed countries. In developed countries the customer are willing to pay above USD 20 to USD 25 for helmets. While in developing nations, willingness towards pricing is less than USD15 to USD18.

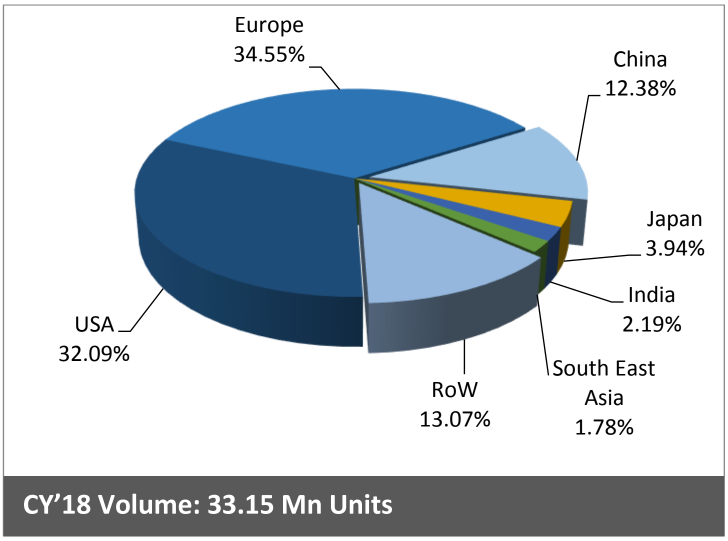
Following charts show the estimated market for bicycle helmets by different types and by application:





Source: Frost & Sullivan Analysis, Wiseman/ QY Research report on Global Bicycle Helmet Market

Following charts show the global cycling helmet market by countries:



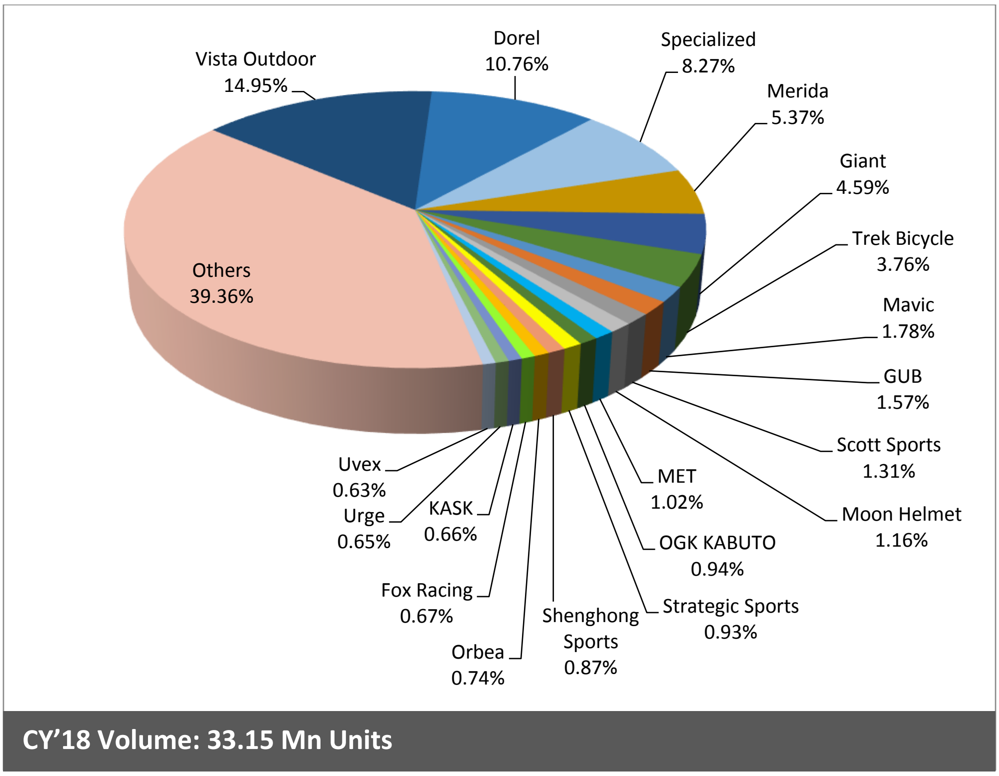
Source: Source: Experts Interview, Secondary Sources and QYR Sport Goods Research Center, July 2018

(Past Growth, Units in '000)

(K Unit)	2013	2014	2015	2016	2017	2018
USA	9,192	9,562	9,954	10,341	10,695	**11,029**
Europe	9,876	10,248	10,715	11,117	11,482	**11,873**
China	3,233	3,424	3,616	3,829	4,040	**4,256**
Japan	1,139	1,180	1,222	1,267	1,308	**1,355**
India	619	648	676	702	726	**752**
Southeast Asia	499	523	544	568	588	**611**
RoW	3,597	3,774	3,954	4,135	4,313	**4,490**
Global	**28,155**	**29,359**	**30,681**	**31,959**	**33,152**	**34,366**

The bicycle market in the USA has registered growth of CAGR 3.71%, in Europe by 3.75%, thus emerging as the biggest markets for bicycle helmets. It is estimated that global revenue from bicycle helmets for Fiscal 2018 is USD 822.07 Million. Globally, all the volume growth is registered at CAGR 4.07% for the past five years.

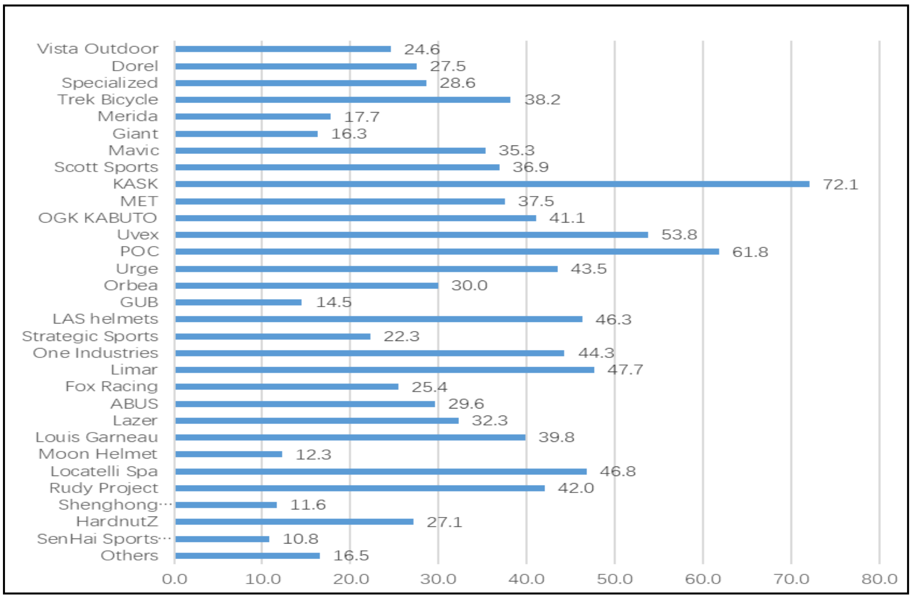
Following chart shows global cycling helmet market by key industry participants:



Source: Source: Experts Interview, Secondary Sources and QYR Sport Goods Research Center, July 2018

The competition in the market is intense. The leaders in the industry are Vista Outdoor, Dorel, Specialized, Trek Bicycle, Merida, etc. and they hold key technologies and patents. It is estimated that there are 29 organised brands operating globally apart from the local brands in each region. Vista Outdoor key player holds 14.95% of the market share. Majority of the market for bicycle helmets globally is controlled by local/ unorganised brands.

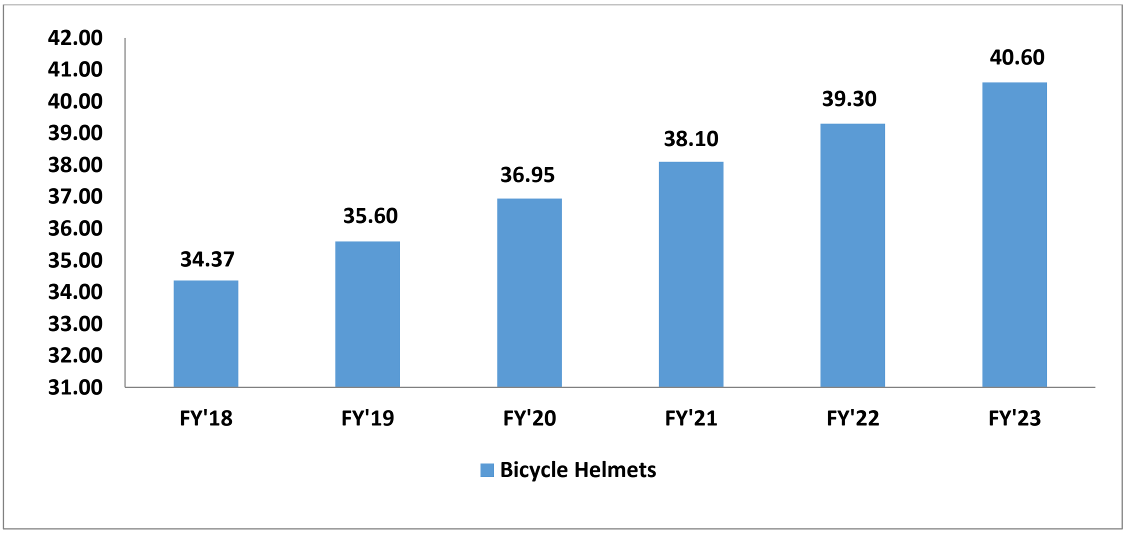
Following chart shows the global market cycling helmet average price (USD/Unit) of key manufacturers:



Source: Secondary Source, QYR Sport Goods Research Center, July 2018 Forecast: Global Market

It is estimated that bicycle helmets will grow at CAGR 3.39% over the next five years. Europe will foresee the highest growth in bicycle helmets. It is estimated that the bicycle helmet market for Europe will grow at CAGR 3.20%.

Following chart shows the forecast for bicycle helmets market globally Fiscal 2018 - Fiscal 2023 (in million):



Source: Experts Interview, Secondary Sources and QYR Sport Goods Research Center, July 2018

Following table shows the forecast for bicycle helmets market by countries Fiscal 2018 - Fiscal 2023 (in million):

Country	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	CAGR
USA	11.03	11.37	11.75	12.10	12.42	12.80	**3.02%**
Europe	11.87	12.30	12.75	13.12	13.48	13.90	**3.20%**
China	4.26	4.46	4.68	4.87	5.08	5.31	**4.52%**
Japan	1.36	1.40	1.45	1.48	1.52	1.57	**2.99%**
India	0.75	0.78	0.80	0.83	0.86	0.88	**3.26%**
Southeast Asia	0.61	0.64	0.66	0.68	0.70	0.73	**3.62%**

Country	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	CAGR
RoW	4.49	4.66	4.86	5.03	5.24	5.41	**3.79%**
Global	**34.37**	**35.60**	**36.95**	**38.10**	**39.30**	**40.60**	**3.39%**

Source: Experts Interview, Secondary Sources and QYR Sport Goods Research Center, July 2018

Key growth drives for the demand for bicycle helmets is as follows;

- Increasing adoption of a healthy lifestyle among people will boost the demand for bicycles, naturally increasing the demand for bicycle helmet.
- Regulatory initiatives to promote cycling in order to reduce harmful carbon emissions and noise pollution are expected to be favourable for industry growth.
- Increasing popularity of mountain biking as a sport has propelled the sales of mountain bicycles.
- Bicycles are emerging as alternatives for shorter distance transportation that cause no pollution.

Following table shows the forecast for bicycle helmets market by types Fiscal 2018 - Fiscal 2023

(*in million*):

Types of Helmets	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	CAGR
MTB Helmets	15.87	16.50	17.20	17.84	18.50	19.20	**3.88%**
Road Helmets	11.18	11.54	11.95	12.22	12.55	12.96	**3.00%**
Sport Helmets	7.32	7.56	7.80	8.04	8.25	8.44	**2.90%**
Total	**34.37**	**35.60**	**36.95**	**38.10**	**39.30**	**40.60**	**3.39%**

Source: Experts Interview, Secondary Sources and QYR Sport Goods Research Center, July 2018

Following table shows the forecast for bicycle helmets market by application Fiscal 2018- Fiscal 2023 (in million):

By Application	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	CAGR
Commuter & Recreation	24.51	25.43	26.44	27.32	28.18	29.15	**3.53%**
Sport Games	9.85	10.17	10.51	10.79	11.12	11.45	**3.05%**
Total	**34.37**	**35.60**	**36.97**	**38.10**	**39.30**	**40.60**	**3.39%**

Source: Experts Interview, Secondary Sources and QYR Sport Goods Research Center, July 2018

MTB and road type helmets popular amongst the end-users. It is estimated that they will grow at CAGR 3.88% and 3.00% respectively over the next five years. Demand for commuter and recreation application will foresee better growth in terms of volume over the next five years.

Key Brands

Decathlon India- Decathlon S.A. is a French sporting goods retailer. They are the largest sporting goods retailer in the world. 1000+ stores are located globally, in numerous countries. Decathlon operates through 62 outlets mostly present in metro and major cities of India.

Vista Outdoor - Vista Outdoor Inc. designs, manufactures, and markets consumer products for outdoor sports and recreation markets worldwide. The company's shooting sports segment designs, develops, produces, and sources ammunition and firearms, such as center fire ammunition, rim fire ammunition, shot shell ammunition, and reloading components for the hunting and sport shooting enthusiast markets, local law enforcement, the United States government, and international markets under the American Eagle, Blazer, CCI, Estate Cartridge, Federal Premium, Force on Force, Fusion, Independence, Savage Arms, Savage Range Systems, Speer, and Stevens brands. Key product portfolio includes firearms, ammunition, and outdoor accessories. Vista sold 5.13 million bicycle helmets in year 2018. Vista's revenue for year 2018 stands at USD 128.40 million.

Dorel - Dorel Industries Inc. (Dorel) is a Canada-based global consumer products company. The Company designs, manufactures or sources, markets and distributes a portfolio of product brands. The Company markets its products in the United States, Canada, Europe and Latin America. The Company operates through three segments: Dorel Juvenile, Dorel Sports and Dorel Home Furnishings segments. Dorel Juvenile segment is engaged in the designing, sourcing, manufacturing, distribution and retailing children's furniture and accessories. Dorel Sports segment is engaged in the designing, sourcing, manufacturing and distribution of recreational and leisure products and accessories. Dorel Home Furnishings segment is engaged in the design, sourcing, manufacturing and distribution of ready-to-assemble furniture and home furnishings. Dorel sold 3.69 million bicycle helmets in year 2018. Dorel's revenue for year 2018 stands at USD 102.46 million.

Specialized Bicycle Components - Specialized Bicycle Components, Inc. designs and manufactures bicycles, components, and cycling apparel for riders and cycling enthusiasts. It offers products in various categories, such as mountain, road, transport/fitness, path/gravel, dirt/park/street, kids, and equipment. The company sells its products through retailers and dealers globally. Specialized Bicycle Components, Inc. was founded in 1974 and is based in Morgan Hill, California with offices worldwide. Specialized Bicycle Components sold 2.84 million Bicycle helmets in year 2018. Specialized Bicycle Components' revenue for year 2018 stands at USD 82.70 million.

Trek Bicycle - Trek Bicycle's mission is to build the best bikes in the world. The company is a top designer and maker of high-end bikes, which it sells through independent specialty bicycle shops worldwide. Trek makes mountain, road, town, children's, tandem, police, and BMX bikes under brands Trek, Gary Fisher, and Bontrager. It also makes electric-assist bikes that allow riders to go farther and faster, as well as eco-designed bikes made using low-impact manufacturing and recycled parts. Trek customers pay top dollar for innovations in racing geometry, smooth suspensions, and custom paint. In addition to high-performance bicycles, the company sells technical gear and clothing. Trek Bicycle sold 1.29 million Bicycle helmets in year 2018. Trek Bicycle's revenue for year 2018 stands at USD 50.00 million.

Merida - Merida Industry Co. Ltd. is principally engaged in the manufacture and distribution of bicycles and related components. The company's products portfolio consists of complete bicycles, bicycle frames and components, among others. It's complete bicycles include road bicycles such as mountain bicycles, folding bicycles, folding bicycles, touring bicycles, bicycles specially designed for ladies, youths and kids, as well as race bicycles such as cycle cross bicycles, triathlon bicycles and others. In addition, it provides electric bicycles.

The company's bicycles are designed for leisure and sports. The company distributes its products primarily in Europe and the Americas. Merida sold 1.85 million Bicycle helmets in year 2018. Merida revenue for year 2018 stands at USD 33.04 million.

Indian Market

India is slowly pedalling its way to a cycling culture. Cycling has the power to transform not just the waistline but define that essence of life call happiness. India is fast catching up to the culture.

The sport has seen an exponential growth in the last three years. Many in India have picked up cycling as part of their fitness routines, some to find adventure and a few to find their inner calling — the last being subjective, yet a very real quest.

Cycling is clearly becoming popular in India and that implies many things; healthy citizens and developing a sporting culture in the country are the obvious by-products. Upcoming and ever growing community of club cyclists in the country shows how it is becoming a mass movement.

However, it has limitations; India is on the cusp of a similar lifestyle change even though dedicated bike lanes are lacking on most city roads and one has to think twice before pedalling to office. Despite meeting the mobility needs of millions of Indians and despite its positive social and environmental externalities, cycling in India has not grown over the last decade. The number of households in India who own cycles as compared to China is low. For example less than 50% households in rural India own cycles as compared to almost 100% in rural China. The common perception of cycling as an unsafe and a poor man's mode has also discouraged the use of cycles as a choice mode of transport.

Bicycle industry

The annual domestic demand for bicycles in India is approximately 10 million units; out of which around 2.5 million units are government demand for the various welfare schemes. Exports out of India are largely to Africa and the less developed economies and negligible to western markets.

The market for the premium or the lifestyle bikes targeted toward the lifestyle consumer is just about emerging. The definition of high end bikes itself is changing. Earlier high-end bikes were as those selling between ₹ 5,000 to ₹ 8,000. However now with global brands moving into the country, this definition is also changing with price-points starting from ₹ 15,000 to as high as a few lakhs. The demand for these cycles at this stage is very limited but is set to grow in future. While the mass-market segment is experiencing sluggish growth of 4-6% annually the premium and lifestyle segment is growing at a CAGR of over 30%.

Bicycle accessories in the Indian market

As the demand grows for lifestyle bicycles, the market for helmets, neck covers, gloves, and lights also grows. Currently, bicycle accessories market is dominated by unorganized players, and Chinese imports although international brands are equally available and a large chunk of the sales takes place online.

Bicycle helmets being one of the important lifesaving tools, its demand is increasing. It is estimated that about 752,000 bicycle helmets were sold in Fiscal 2018. The market will foresee growth in future and estimated to grow at CAGR of 3.26%. Demand for bicycle helmets will touch 883,000 units over the next five years. There are more than 30 brands available for bicycle helmets in the country. Key brands for bicycle helmets currently available in India are Spark, Decathlon (B-Twin), Arrowmax, Nikavi, Vector X, Hawk, etc. Most of these brands are currently imported.

The most popular bicycle helmet range in the market for adults is ₹ 500 to ₹ 800. These helmets can be adjusted according to the head size of rider. Also, kids helmets too are popular in the price range of ₹ 350 to ₹ 700. Most of the brands are available online.

To conclude, increasing leisure biking and cycle clubbing culture will increase the demand for premium bicycles and that will increase the demand for a host of accessories; mainly for safety gears like helmets.

OUR BUSINESS

*The industry data in this section has been extracted from the report dated August 2018, titled "2 Wheeler Helmet and Select Accessories Market in India", prepared by Frost & Sullivan ("**F&S Report**"). Neither we, nor the Selling Shareholders, the BRLMs, nor any other person connected with the Offer has independently verified the information in the F&S Report.*

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Bidders should read this entire Draft Red Herring Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "**Risk Factors**" on page 14 for a discussion of the risks and uncertainties related to those statements and also, "**Financial Statements**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 167 and 299, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Consolidated Financial Statements.*

Overview

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

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

- The *Studds* brand was established in the year 1975 and over time has become a widely-recognized brand in India. *Studds* covers the mass commuter market segment in India and the two-wheeler helmets under the brand were sold at maximum retail prices in India ranging from ₹ 825.00 to ₹ 2,165.00 per two-wheeler helmet, as of June 30, 2018. In Fiscal 2018, more than five million helmets were sold under the *Studds* brand within India and Asia, Latin America, Central America and Africa (*Source: F&S Report*). We also manufacture helmets for Jay Squared LLC D.B.A. Daytona Helmets Int. which are sold under the brand name *Daytona* in the United States. Helmets sold under the *Studds* brand constituted more than 25% share in the two-wheeler helmet industry in India in Fiscal 2018 (*Source: F&S Report*).

- The *SMK* brand was introduced in the year 2016 and caters to the premium two-wheeler helmet segment in India. *SMK* helmets primarily cater to the premium two-wheeler helmet segment in certain countries in Asia and Latin America, whereas in certain countries in Europe, *SMK* helmets cater to the mid-market commuter segment. Helmets under the *SMK* brand were sold at maximum retail prices in India ranging from ₹ 2,300.00 to ₹ 9,800.00 per helmet, as of June 30, 2018. Based on the total units of premium two-wheeler helmets sold in India in Fiscal 2018, SMK had a market share of 27.79% in the premium two-wheeler helmet market in India (*Source: F&S Report*). In Fiscal 2018, a total of 23,436 two-wheeler helmets were sold under the *SMK* brand within India.

The safety, reliability and quality associated with a helmet brand are the key attributes which increase customer confidence and influence a purchase decision. We also believe that over time, our consistent focus on improving the safety features and quality of our helmets have helped us in establishing our brands, *Studds* and *SMK*, as trusted brands amongst our customers. We are focused on continuously improving the safety features of our helmets by incorporating emerging head gear protection technology and combining it with style, performance and fit. We regularly test products throughout the development and manufacturing processes at our in-house testing laboratory, which has been certified by VCA, England, and all our helmets are subjected to various quality control procedures.

We believe that one of our key strengths is our ability to understand changing fashion trends and anticipate customer requirements, while ensuring compliance with the highest quality standards. We have a comprehensive portfolio of products with 47 different styles and designs of helmets in various sizes and colours across the helmet categories as of June 30, 2018. We regularly introduce new product designs and offerings at average intervals ranging from 3-12 months. We are able to constantly innovate and develop different styles and designs through our institutionalized design process for which we rely on our in-house design team. Our design team is primarily responsible for forecasting design trends, researching on improving the fit and comfort of our products and integrating new and advanced technologies in our products. We also engage the services of specialised design firms for designing and conceptualising certain niche designs for our helmets. We have entered into an exclusive service agreement with an European design firm, for designing and conceptualising our two-wheeler helmets. We have also recently engaged services of a Spanish design firm for designing and developing *SMK* full face and flip-up helmets with inbuilt Bluetooth technology in order to enhance the riding comfort and safety of two-wheeler riders.

Our product development process is supported by two backward integrated manufacturing facilities located in Faridabad, Haryana. Our facilities are equipped with in-house automated injection moulding shop, four paint shops (one of which is fully automated), automated silicon hard coating facility for visors, sputtering and metalizing technologies available for coating visors, in-house helmet liners stitching facility, conveyorised assembly line, in-house mould making shop and design center and an in-house helmet testing laboratory certified by VCA England.

We have a strong pan India dealer network across urban, semi urban and rural parts of India which consists of dealers and institutional customers, such as the Central Police Canteens and Canteen Stores Department as well as a global distribution network. As of June 30, 2018, we sold our products through 363 active dealers in India and had sold our products to 30 importers across Europe, North America, Asia, Latin America, Central America and Africa for our export operations. Most of the orders placed by our dealers are backed by advance payments and all the orders placed by our importers are usually backed by advance payments or letter of credit, which allows us to have negative working capital. We have also entered into agreements for supply of helmets and two-wheeler lifestyle accessories with two-wheeler OEMs such as Honda Motor India Private Limited, Hero Motorcorp Limited, Suzuki Motorcycle India Private Limited and UM Lohia Two Wheelers Private Limited. All the helmets supplied to the two-wheeler OEMs are under joint branding.

For the Fiscals 2018, 2017 and 2016, our revenue from operations was ₹ 3,364.44 million, ₹ 3,091.25 million and ₹ 2,919.34 million respectively, representing a CAGR of 7.35% during the last three Fiscals. For Fiscals 2018, 2017 and 2016, our profit for the year was ₹ 324.66 million, ₹ 237.47 million, and ₹ 246.92 million, respectively, representing a CAGR of 14.67% during the last three Fiscals. In Fiscals 2018, 2017 and 2016, we recorded EBITDA of ₹ 572.08 million, ₹ 424.47 million and ₹ 431.49 million, respectively. Our RoNW for Fiscals 2018, 2017 and 2016 was 27.35%, 27.16%, and 38.70%, respectively.

Our Strengths

Largest manufacturer of helmets with leading brands and wide product range

We are the largest manufacturer of two-wheeler helmets in the world in terms of volume of two-wheeler helmets sold in Fiscal 2018 (*Source: F&S Report*). Our flagship brand *Studds* is the largest selling two-wheeler helmet brand in India in terms of volume of helmets sold in India in Fiscal 2018 (*Source: F&S Report*). Over the last 35 years, we have developed the *Studds* brand as a trusted brand amongst our customers by focusing on incorporating the advanced head gear protection technology in our products and by ensuring compliance with stringent quality and safety standards. As a result, we believe that *Studds* has become a well-recognized brand in India. According to the F&S Report, based on revenues, *Studds* branded helmets constituted a share of 25.66% of the two-wheeler helmet market in India in Fiscal 2018. A total of 4.95 million two-wheeler helmets were sold in India under the *Studds* brand in Fiscal 2018 (*Source: F&S Report*).

Leveraging the brand recall and reputation of *Studds*, we have strategically expanded into the premium two-wheeler helmet segment in the year 2016, through launch of our brand *SMK*. *SMK* has emerged as the leading brand with the largest market share in the premium two-wheeler helmet segment in India in terms of volume of premium two-wheeler helmets sold in Fiscal 2018 (*Source: F&S Report*), and is also marketed in 23 countries as of June 30, 2018. *SMK* helmets cater to the premium two-wheeler helmet segment in certain countries in Asia and Latin America, whereas in certain countries in Europe, *SMK* helmets cater to the mid-market commuter segment. Our diversified brand portfolio under our *Studds* and *SMK* brands enable us to cater to the requirements of our target customers across price points including premium, mid-range and economy segments.

We believe that our focus on style, design, quality as well as safety, makes us a lifestyle choice for our customers, and positions *Studds* and *SMK* as aspirational brands. We have a comprehensive portfolio of products with 47 different styles and designs of helmets in various sizes and colours across the two-wheeler helmet categories as of June 30, 2018. We currently manufacture two-wheeler helmets in various categories including full-face helmet, flip-up full face helmets, flip-off full face helmets, off-road full face helmets, open face helmets, sporting helmets and industrial helmets. We regularly refresh our product offering by introducing innovative designs which are influenced by changing fashion trends and customer preferences. We believe that our innovative designs along with our strong focus on safety features and rigorous quality control over the last 35 years has created a perception of trust and credibility in our brands among our target customers, which is one of our key strengths distinguishing us from our competitors.

Our brands *Studds* and *SMK* have significantly contributed to our growth. Our brand logos are prominently displayed on all our products and every product used by our customers enhances our brand visibility and strengthens our brand recall. We believe that we can effectively leverage our brand recall to increase our scale of operations, introduce new innovative product designs and expand our presence into new geographies and markets.

Customer centricity supported by integrated operations

We are focused on the requirements and style aspirations of our customers and have developed expertise in creating innovative designs with a focus on quality and optimizing fit, comfort and sizing. We have developed our manufacturing processes over two decades of production experience and gradually created extensive backward integration, which has allowed us to have better control over the quality of our products. Our integrated manufacturing facilities benefit us in various ways, including ensuring quality and safety control at each stage of the manufacturing process, supporting our ability to continuously develop new products and designs, reduced operational costs and economies of scale. Our integrated manufacturing facilities also provide us with the ability to have quicker response time to customer requirements and complaints and provide timely after-sales support.

We typically utilize logistics infrastructure hired by us, for supply of finished products from our manufacturing facilities to our dealers. Having control over the delivery process of our products helps us in minimizing damage to our products during transportation and also helps us in controlling our operating expenses.

Both our manufacturing facilities are located in close proximity to each other, which creates synergy in our manufacturing process. As of Fiscal 2018, our manufacturing facilities had a combined installed capacity of producing 6,120,000 two-wheeler helmets per annum. Both our manufacturing facilities are ISO: 9001:2008 certified and we regularly invest in upgrading our machinery and technology in order to improve our manufacturing efficiency. For instance, we believe that we are one of the few helmet manufacturers in India to have installed sputtering and metalizing technologies at our manufacturing facilities. Our helmets undergo intensive testing at our in-house testing laboratory, which has been certified by VCA, England.

Our product design and development capabilities, integrated manufacturing processes and stringent quality checks represent an important element of the success of our business. We believe that our ability to produce new designs and develop new products improves our competitive position in the helmet and two-wheeler lifestyle accessory industry. As on the date of this Draft Red Herring Prospectus, our Company has been granted seven design registrations under the Design Act, 2000, which includes registration of our helmet designs and other design innovations including full face ninja helmet and open face helmet nano. Our cross functional product design team is involved in our design innovations and engage with our target customers to understand their product requirements and track evolving market trends. As of June 30, 2018, we have employed 15 personnel in our product design team. We also engage the services of specialised design firms for designing and conceptualising certain niche designs for our two-wheeler helmets. For instance, for designing and conceptualising our two-wheeler helmets, we have entered into an exclusive service agreement with a European design firm.

Strong pan-India and global presence supported by an extensive and well-developed sales and dealer network and major quality accreditations

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

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

In addition, we directly sell our products to reputed two-wheeler OEMs, such as Honda Motor India Private Limited, Hero Motorcorp Limited, Suzuki Motorcycle India Private Limited and UM Lohia Two Wheelers Private Limited. Over time, we have developed strong relationships with some of the OEMs, such as Honda Motor India Private Limited. We also sell our products directly through institutional customers such as the Central Police Canteens and the Canteen Stores Department. We benefit from our strong relationship with our dealers and OEM customers, which has been one of our key growth drivers. We believe that the strength of our customer relationships is attributable to our ability to deliver quality and cost competitive products over the years.

Capital efficient and scalable business model

We have a scalable business model which relies on our brand recall, our integrated operations and our dealer network. Our brand logos are prominently displayed on our products and each product sold by us enhances our brand visibility and recall, which allows us to undertake minimal advertising expenses. The synergies from our integrated operations help us in reducing our operating expenses and enable us to upscale our operations in an efficient and seamless manner. Our large dealer network, which includes our domestic dealers, importers and two-wheeler OEMs, allows us to expand our geographical reach without incurring significant capital expenditure. Further, most of the orders placed by our dealers are backed by advance payments and all the orders placed by our importers are usually backed by advance payments or letter of credit, which allows us to have negative working capital. By leveraging these factors, we have established a strong track record of growth and financial performance with steady cash flows from our operations. Between Fiscal 2016 and 2018, our total revenue increased at a CAGR of 7.35%, our profit for the year increased at a CAGR of 14.67%, our EBITDA increased at a CAGR of 15.14%. We believe that our focus on leveraging our brand recall, integrated operations and dealer network will contribute to the growth and development of the business.

Experienced Promoters and Management team

We benefit from the experience of our Promoters and the senior management team who have extensive knowledge in two-wheeler lifestyle products industry. Our Promoters are actively involved in our operations, and along with our senior management have been instrumental in implementing our growth strategies and expanding our business through various initiatives including building home-grown brands *Studds* and *SMK*, expanding the presence of the brands in India and internationally and increasing our product sales within and outside India. Our Promoters are actively involved in our operations, especially in the product development process and the marketing initiatives undertaken by us. Our Promoters hold annual events to interact and strengthen the relationships with our dealers and take feedback on the product and process improvement. Our operations commenced under Mr. Madhu Bhushan Khurana, our Promoter and Chairman, who successfully managed various phases of expansion, growth and consolidation of our business and operations and has over 35 years of experience in the manufacturing of two-wheeler lifestyle accessories. Mr. Sidhartha Bhushan Khurana, our Promoter and Managing Director has over 20 years of experience in the two wheeler lifestyle accessories industry. Our management is also supported by an experienced and technically qualified execution team.

Our Strategies

Expand our production capacity and deepen our backward integration

We are the largest manufacturer of two-wheeler helmets in the world in terms of volume of two-wheeler helmets sold in Fiscal 2018 (*Source: F&S Report*) and sell our products in 31 countries as of June 30, 2018. In Fiscal, 2018, our manufacturing facilities has a combined capacity of producing 6,120,000 units of two-wheeler helmets and 499,500 units of two-wheeler luggage. Our large manufacturing capacities enable us to achieve economies of scale resulting in decreased cost of production per manufacturing unit.

The two-wheeler helmet market in India is estimated to grow at a CAGR of 16.91% over the next five years. Further, the sales of premium two-wheeler helmets is also likely to witness growth and is estimated to increase from the current 0.08 million units to 0.61 million units by Fiscal 2023 (*Source: F&S Report*). Further, the Ministry of Road Transport and Highways, Government of India has issued a Draft Notification, which proposes to make it mandatory for all two-wheeler helmet manufacturers to obtain a standard mark IS 4151 (to be certified by the Bureau of Indian Standards). As per the F&S Report, the requirement for all two-wheeler helmets to mandatorily bear Indian standards certification from the Bureau of Indian Standards will increase the demand for ISI certified helmets, which will also result in the growth of the market share of helmet manufacturers in the organized segment. We believe that we are well placed to benefit from the growth in the two-wheeler helmet industry by leveraging our existing market position in India, particularly the recognition of our brands, *Studds* and *SMK*, our quality standards and certifications and geographical spread of our dealer network.

We intend to expand our production capabilities to aid our efforts in order to deepen our pan-India and global presence. We intend to use a part of the Net Proceeds towards building and developing two of our new under-construction manufacturing facilities located in Faridabad, Haryana, for manufacturing two-wheeler helmets and accessories and bicycle helmets. The bicycle helmets manufacturing facility is also proposed to be used for the production of expandable polystyrene liners used for our helmets, which we believe will help us in deepening our backward integration and help us in creating greater synergy in our manufacturing process.

Increase our presence in the premium helmet segment through the SMK brand

In addition to strengthening and expanding the reach of the *Studds* brand, we intend to continue to grow our brand *SMK* targeting the premium helmet market. We are the only manufacturer in India that is present in the premium two-wheeler helmet segment (*Source: F&S Report*). According to F&S Report, the demand for premium helmets market is expected to grow from the currently 0.08 million units to 0.61 million units by 2023. The demand for premium two-wheeler helmets is primarily driven by the increasing sale of premium motorcycles. We intend to capitalize on this growth by leveraging the *SMK* brand and increase our market share and sales in the premium two-wheeler helmet segment internationally and in India. We propose to increase the manufacturing capacity of *SMK* helmets in order to cater to the growing demand for premium two-wheeler helmets.

Expand our product portfolio

We aim to leverage our existing suite of products, knowhow and manufacturing capabilities to produce niche and higher-margin products. In particular, we intend to expand the production of bicycle helmets and two-wheeler luggage and apparel. The demand for healthier lifestyles and regulatory initiatives taken for reducing carbon emissions have been the primary growth drivers for increase in demand of bicycles (*Source: F&S Report*). The growth for demand of bicycles has also increased the demand for bicycle helmets, which is estimated to grow globally at a CAGR of 3.39% over the next five years (*Source: F&S Report*). In India, the demand for bicycle helmets is estimated to grow at a CAGR of 3.26% to reach 883,000 units over the next five years (*Source: F&S Report*). We intend to use a part of the Net Proceeds towards funding our new manufacturing facility located at Faridabad for manufacturing bicycle helmets. We also intend to use a part of the Net Proceeds towards funding our new manufacturing facility located at Faridabad for entering new product lines and segments such, as bicycle helmets and apparels. In the future, we also intend to enter into new product lines and target new consumer segments. As part of our business strategy, we intend to develop new and diversified two-wheeler lifestyle products targeted at niche customer segments that we believe will enable us in achieving higher margins.

Continue to develop and enhance our brands

Our ability to continue to benefit from our brands *Studds* and *SMK* is a key strength that contributes to our success. We intend to continue to increase brand awareness and customer loyalty through significant marketing efforts and through strategic expansion of our distribution channels. We plan to focus on a branding strategy targeted at customers in the premium segment. We continue to focus on enhancing customer experience to improve our brand recall. We also intend to increase our marketing budget, including for additional marketing and sales personnel, to focus on building our brand and grow our business. We intend to increase our domestic retail footprint through franchisee owned and operated exclusive brand outlets. We seek to enter into franchise agreements for our exclusive brand outlets which requires lower upfront capital expenditure compared to acquisition of real estate or properties for setting up our outlets. We plan to initially open approximately 10 to 15 exclusive franchise brand outlets primarily in tier 1 and tier 2 cities and towns in India during Fiscals 2019 and 2020, which we believe will further expand our dealer network and enhance our brand recognition and visibility. We also intend to continue developing our design capabilities by expanding our internal design teams and developing relationships with new international designers.

DESCRIPTION OF OUR BUSINESS

Our Brands and Products

Our Company sells helmets under two brands, *Studds* and *SMK*. The brands are focused on the mass-market commuter (*Studds*) and premium (*SMK*) segments. Our Company also manufactures two-wheeler lifestyle accessories under the *Studds* brand.

Studds

Our flagship brand *Studds* was registered in 1975. *Studds* is the largest selling two-wheeler helmet brand in the two-wheeler helmet market in India in terms of volume of helmets sold in India in Fiscal 2018 (*Source: F&S Report*), *Studds* covers the mass commuter market segment in India. *Studds* helmets are also exported to a total of 21 countries in Asia, Latin America, Central America and Africa as of June 30, 2018. In Fiscal 2018, over five million helmets were sold under the *Studds* brand in India and globally (*Source: F&S Report*).

Products

As on the date of this Draft Red Herring Prospectus we manufacture 34 different styles of *Studds* helmets in various categories including full face helmet, flip-up full face helmets, flip-off full face helmets, off-road full face helmets, open face helmets, sporting helmets and industrial helmets. Our Company also produces a range of products in the two-wheeler lifestyle accessories under the *Studds* brand including backpacks, gloves, eye wear, two wheeler luggage and helmet security guard. The table below provides details of our helmet product portfolio manufactured under the *Studds* brand in Fiscal 2018.

Product	Product Portfolio (number of designs under each category of helmets)	Typical Range of offering: Maximum Retail Prices
Full – face	Models: 14 Colours: 12 Graphic Options: 27	₹890-₹2,165
Modular	Models: 5 Colours: 9 Graphic Options: 19	₹1,230- ₹2,045
Open face	Models: 11 Colours: 12 Graphic Options: 22	₹825- ₹1,850
Dual sport	Models: 1 Colours: 6 Graphic Options: 0	₹1,750-₹1,850
Industrial and sporting	Models: 3 Colours: 8 Graphic Options: 6	₹200-₹735

Market

Two-wheeler helmets and two-wheeler lifestyle accessories under the *Studds* are marketed and sold in a total of 30 states and union territories in India. Helmets under the *Studds* brand are also exported to a total of 21 countries in Asia, Latin America, Central America and Africa as of June 30, 2018.

Revenue

Our revenue from sale of two-wheeler helmets and two-wheeler lifestyle accessories under the *Studds* brand for Fiscals 2018, 2017 and 2016 was ₹ 2,960.06 million, ₹ 2,562.88 million and ₹ 2,483.35 million respectively, which was 90.32%, 94.13% and 96.70% of our Adjusted Revenue for the respective periods.

'SMK'

The *SMK* brand was introduced in the year 2016 and caters primarily to the premium two-wheeler helmet segment in India. Our *SMK* helmets are exported to countries in Asia and Latin America for catering to the premium two-wheeler helmet segment. We have also expanded *SMK's* presence by entering the European market, where the *SMK* caters to the mid-market commuter segment. In Fiscal 2018, a total of 41,870 helmets were sold under the *SMK* brand in India and globally.

Products

As on the date of this Draft Red Herring Prospectus, we manufacture 13 different styles of *SMK* helmets in various categories including full face helmet, modular helmet, dual sport and open face. The table below provides details of our helmet product portfolio under the *SMK* brand.

Product	Product Portfolio (number of designs under each category of helmets)	Typical Range of offering: Maximum Retail Prices
Full-face	Models: 5 Colours: 5 Graphic Options: 14	₹ 3,500- ₹ 8,350
Modular	Models: 1 Colours: 4 Graphic Options: 2	₹ 5,500-₹ 9,800
Dual sport	Models: 1 Colours: 5 Graphic Options: 1	₹ 5,800-₹ 6,100
Open face	Models: 6 Colours: 8 Graphic Options: 12	₹ 2,300-₹ 3,150

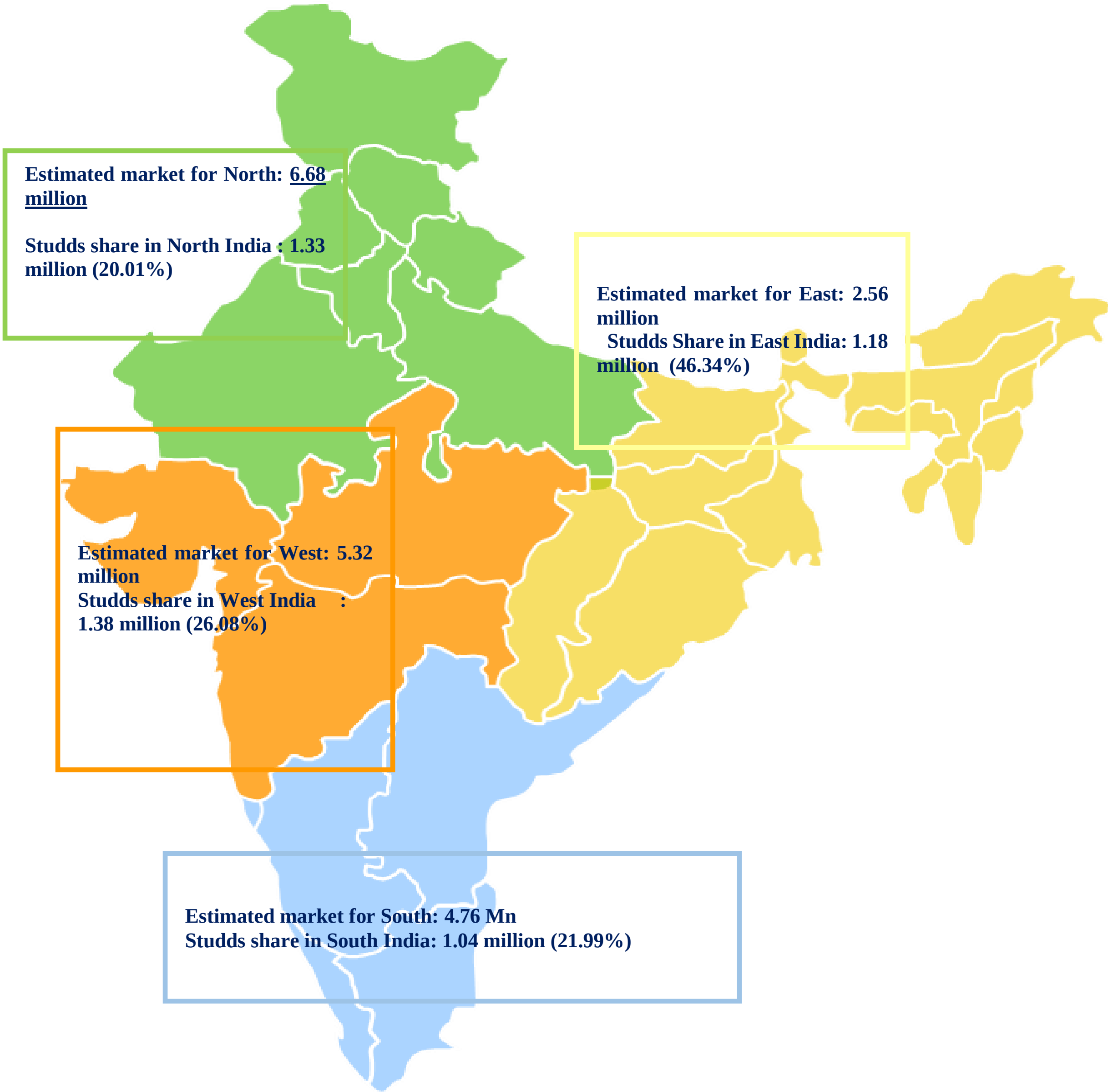
Market

Two-wheeler helmets under the *SMK* brand are marketed and sold in a total of 19 states and union territories in India. Helmets under the *SMK* brand are also exported to a total of 23 countries in Europe, Asia and Latin America as of June 30, 2018.

Revenue

Our revenue from sale of helmets under the *SMK* brand for Fiscals 2018 and Fiscal 2017 was ₹ 82.20 million, ₹ 52.76 million respectively, which was 2.51 % and 1.94 % of our Adjusted Revenue for the respective periods.

The map below shows the region-wise geographic representation of our key markets in India and our respective share in different regions in India (*Source: F&S Report*).



Manufacturing Facilities

Both our manufacturing facilities are located in Faridabad, Haryana. Our manufacturing facilities commenced commercial operations in 2009 and 2012, respectively.

The following table set forth the annual installed capacity of our products:

Products	**Installed Capacity as of March 31, 2018 (*in number of units*)**	**Capacity Utilization (%) in Fiscal 2018**	**Installed Capacity as of March 31, 2017 (*in number of units*)**	**Capacity Utilization (%) in Fiscal 2017**	**Installed Capacity as of March 31, 2016 (*in number of units*)**	**Capacity Utilization (%) in Fiscal 2016**
Two-Wheeler Helmets	6,120,000	84.13	5,160,000	81.73	4,470,000	92.54
Two- wheeler luggage	499,500	88.00	390,000	94.50	390,000	88.67
Total	6,619,500	84.42	5,550,000	82.62	4,860,000	92.23

Raw Materials and Our Supply Chain Process

The primary raw materials required to manufacture our products are polycarbonate, cloth, ABS, expandable polystyrene liners, buckle, PPCP, paints and visors. Raw material costs (consisting of the costs of materials consumed) constitute the most significant portion of our expenditures, representing 46.64%, 46.21% and 46.58% of our Adjusted Revenue for Fiscals 2018, 2017 and 2016, respectively.

We presently procure all these raw materials from the local market based on our requirements on an on-going basis. We have strong relationships with certain of our suppliers although we do not have any long term contracts with such third parties. We procure all of our raw materials by way of purchase orders on an on-going basis and therefore, are required to pay the market rate of such products. All our raw materials used in our helmets and two-wheeler luggage are industrial commodities and therefore subject to price fluctuations as a result of seasonality, weather, demand in local and international markets and other factors.

Design

In order to offer new and varied products to our customers, we focus on creating innovative designs and optimizing fit and sizing combined with an emphasis on quality. Our design team of 15 employees are responsible for research and trend forecasting, helmet design, sample development and presentations to members of our sales, sourcing, planning and marketing teams for review and inputs.

We refresh our product offerings at regular intervals, depending on the type of helmet. The table below provides an estimated time interval for our product launches (*Source: F&S Report*).

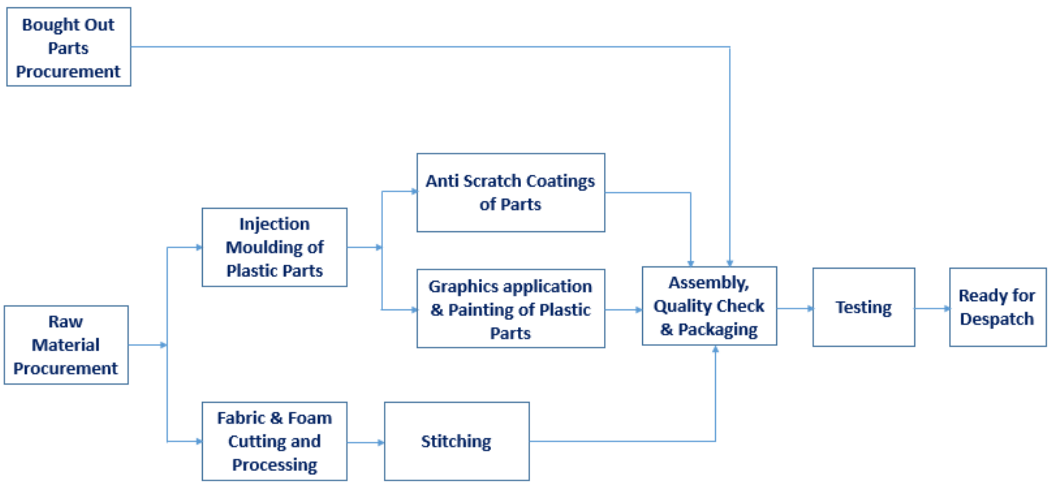
Product	Product launch intervals
Full-face	New launch: 1-2 new models annually New Designs: 1 graphic in 3 months
Open face	New launch: 1 new model annually New Designs: 1 graphic in 6 months
Dual sport	New launch: 1 new model every 2 years New Designs: 1 graphic in a year
Half Helmet/Cap	New launch: 1 new model in 2 to 4 years New Designs: 1 graphic in a year

We have carried out significant market research to develop differing helmet sizes across our brands, catering to the requirements of our customers. For example, we have undertaken research and studies on different head sizes in populations across different states in India.

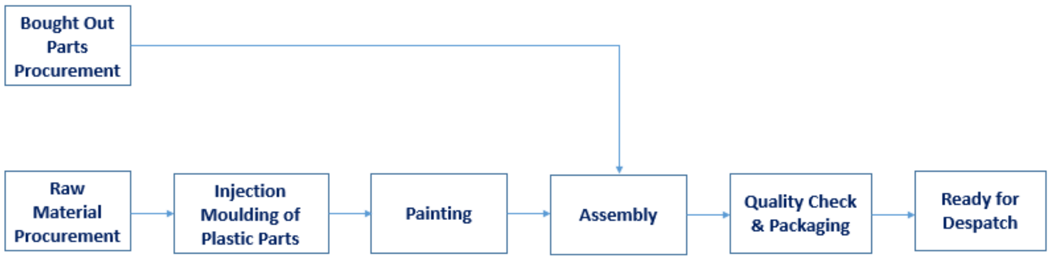
Manufacturing Process

A brief description of the relevant manufacturing processes involved in each of our product categories is provided below:

Helmets



Two Wheeler Luggage



Manufacturing Process for Helmets:

The primary raw materials used in the manufacturing of helmets are Polycarbonate, Fabrics, Foams, Synthetic Leather, ABS, Expandable Polystyrene Liners, Buckle, Paints and Visors. The manufacturing of helmets consists of the following stages namely, (i) Injection Moulding Process; (ii) Painting; (iii) Visor Coating Process; (iv) Cutting and Stitching Process and (v) Assembly, Quality Check and Packing. Every stage has its independent quality control checks before being moved to the next station for further processing.

Injection moulding process: The first step is the manufacturing of the outer shells and other plastic parts of the helmet by injection moulding process. The plastic material is melted in a hot barrel and then injected into a mould. The mould is then allowed to cool in order to obtain the desired shape and dimension of the part.

Painting: Once the mould has cooled, we obtain the parts of the helmet. These are then painted with different kind of colours in order to enhance the aesthetics. The painting process involves sanding followed by applying basic paint colour and graphics. The painting process is completed by applying a protective paint coating on the outer shell.

Visor Coating: The visors (which are also plastic parts obtained from injection moulding process) are treated with various kinds of functional coatings. The coatings are applied through a dipping process, vacuum metallizing or sputtering process to give property enhancements such as scratch resistance, fogging resistance and anti-glare effect.

Cutting and Stitching: The fabrics, foams and synthetic leather are cut with specialized machines, then embossed by techniques like high frequency embossing and thermal embossing. The process is completed by stitching the cut fabrics/foams/synthetic leather using different kind of specialized machinery.

Assembly and packing: The final stage involves assembling different parts of helmets and accessories, final quality inspection of the helmet for fit, finish and function, and packing the finished products for dispatch to the customers.

Manufacturing Process for Two Wheeler Luggage:

The primary raw materials used in the manufacturing of two wheeler luggage are Polycarbonate, ABS, Polypropylene Copolymer, Paints, Locks and Metal Parts. The manufacturing of two wheeler luggage consists of the following stages namely, (i) Injection Moulding Process; (ii) Painting; (iii) Assembly, Quality Check and Packing. Every stage has its independent quality control checks before being moved to the next station for further processing.

Injection moulding process: The first step is the manufacturing of the box, lid and other plastic parts of the two wheeler luggage by injection moulding process. The plastic material is melted in a hot barrel and then injected into a mould. The mould is then allowed to cool in order to obtain the desired shape and dimension of the part.

Painting: Once the mould has cooled and we obtain the parts, these parts, which are the box and lid, are painted with different kind of colours in order to enhance the aesthetics. The painting process involves sanding followed by applying basic paint colour and graphics (if applicable). The painting process is completed by applying a protective paint coating on the outer shell.

There are other plastic child parts also, some of which do not require painting and go to assembly stage directly.

Assembly and packing: The final stage involves assembling different parts of two wheeler luggage, final quality inspection for finish and function and packing the finished products for dispatch to the customers.

Quality Control, Testing and Certifications

Our quality policy is focused on fulfilling customer requirements through reliable products and services aimed at meeting all regulatory requirements and through continual improvement of our quality management systems. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being provided to customers. Our quality control programs at most of our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations for various periods.

In recognition of our quality standards, we have been accredited with certifications pertaining to quality and health and safety standards, some of the key certifications are as follows:

Segment	Certifications
Helmets	ISO 9001:2015 - for Quality Management System
	ISO 14001:2015 - for Environmental Management System
	OHSAS 18001:2007-for Occupational Health and Safety Management System
	IS 4151:1993 - for Protective Helmets for Motorcycle Riders issued by the Bureau of Indian Standards
	IS 2925: 1984 for Industrial Safety Helmets issued by the Bureau of Indian Standards
	DOT CERTIFICATION(USA) – Self Certification
	ECE 22.05 for certifying compliance with EC/Directive 2007/46 issued by the Vehicle Safety Agency
	SLSI CERTIFICATION (SLS 517:1994) – for exporting To Sri Lanka

Dealer and Sales Network – domestic and export components

We have built a geographically dispersed and robust sales and dealer network over 35 years of experience. We sell our products through an extensive dealer network that consists, as on June 30, 2018, 363 dealers in India. We typically enter into a dealer sales agreement with our dealers, pursuant to which our dealers are required to buy stock from the Company with a pre-agreed minimum value. Pursuant to the terms of the dealer sales agreements, our dealers are required to deposit a security deposit with our Company, which cannot be withdrawn for a period of three years from the date of the dealer sales agreement.

We have also entered into agreements for supply of helmets and two wheeler lifestyle accessories with two-wheeler manufacturers such as Hero Motorcorp Limited, Honda Motor India Private Limited, Suzuki Motorcycle India Private Limited and UM Lohia Two Wheelers Private Limited. The purchase agreements typically provide for a monthly delivery plan/schedule providing details of the quantity of helmets/two wheeler lifestyle accessories to be supplied by our Company and may also contain tentative requirements for the subsequent six month period. We provide quotations with respect to the orders, based on the quantity and the drawing specifications. Further, our purchase agreements contain warranty and compensation provisions which require us to compensate our customers for any uninformed and unapproved changes made to the products, the products not adhering to quality standards or any product liability claims faced by our customers as a result of any kind of defect in the product supplied by us.

We also supply our products to government and institutional customers such as the Central Police Canteens and the Canteen Stores Department.

In our international markets, we work with our network of importers which consists, as on June 30, 2018 of over 30 importers in 31 countries across Europe, North America, Asia, Latin America and Africa.

Exports

Our products were exported to 31 countries as of June 30, 2018. In Fiscals 2018, 2017 and 2016, revenues from export sales were ₹ 261.52 million, ₹ 239.54 million and ₹ 185.18 million, respectively, representing 7.97 %, 8.79% and 7.21%, respectively of our Adjusted Revenue in such periods. Asia and Europe represents our most significant export markets.

Technology and Innovation

In order to offer new and varied products to our customers, we focus on creating innovative designs and optimizing fit, comfort and sizing combined with an emphasis on quality. As on the date of this Draft Red Herring Prospectus, our Company has been granted seven design registrations under the Design Act, 2000, which includes registration of our helmet designs and other design innovations including full face ninja helmet, open face helmet nano. Our cross functional product design team is involved in our design innovations and engage with our target customers to understand their product requirements and track evolving market trends. As of June 30, 2018, we employed 15 personnel in our product design team. For designing and conceptualising our two-wheeler helmets, we have entered into an exclusive service agreement with an European design firm.

Our helmets undergo stringent quality check by our in-house helmet testing laboratory which is certified by VCA, England, to ensure that the helmets meet safety and quality specifications. We conduct various quality checks and tests. We also focus on product innovation and endeavour to design new products and add additional features with increased utility. Our recent product innovations have been focused on developing new methods to enhance safety and comfort of the customers, such as anti-scratch coating, anti-reflective coating, reducing the helmet weight and ensuring right optimization between expandable polystyrene liners and shell strength.

Intellectual Property

We own trademarks to our brands *Studds* and *SMK* in India. Our Company has registered 36 registered trademarks under 32 classes with the Registrar of Trademarks under the Trademarks Act in India and nine trademarks under various classes under the trademark laws of various jurisdictions outside India. Further, we have also filed seven applications for registration of certain other trademarks such as SMK and Studds in UAE, Sri Lanka and the United States. The trademarks which are registered in India under the Trademarks Act, 1999 are valid for a period of at least 10 years from the date of application or renewal. For further details, see "***Government and Other Approvals***" on page 326.

Property

Our Company owns a land admeasuring 7,700 square yards situated at 23/7 Mathura Road, Ballabgarh, Faridabad 121 004, Haryana, India where our Registered and Corporate Office and a part of our Manufacturing Facility I is situated. Our Company has entered into a lease for an area admeasuring 90,000 square feet for the remaining part of Manufacturing Facility I. The term of the lease is valid until May 15, 2023.

Our Company owns the land admeasuring 8,000 square meter for our Manufacturing Facility II, situated on Industrial Plots 992 to 1,023, Industrial Estate, Faridabad.

Our Company has been allotted land admeasuring 21,158.95 square meter by HSIIDC for setting-up our Manufacturing Facility III located at industrial plot number 918, sector 68, Industrial Model Township, Faridabad. Our Company has been allotted land admeasuring 4,500 square meter by HSIIDC for setting-up our Manufacturing Facility IV located at industrial plot number 48, sector 68, Industrial Model Township, Faridabad.

Insurance

Our operations are subject to various risks inherent in the manufacturing industry. We maintain insurance policies for our buildings, plant and machinery, furniture and fixtures, vehicles against damage due to fire and natural disasters and product liability coverage.

Also see "***Risk Factors - Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition***" on page 26.

Human Resources

As of June 30, 2018, we had 1,757 personnel. The following table sets forth information on the number of employees in various departments of our business as of June 30, 2018.

Department	Number of Personnel
Sales and marketing	27
Design & Development	57
Manufacturing	1,523
Human resources	93
Others	57
Total	**1,757**

In addition, we have entered into arrangements with third party personnel companies for the supply of contract labour at our manufacturing facilities.

We conduct training workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and personal growth of employees. Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner.

Competition

The two-wheeler helmet industry in India is highly fragmented. ISI certified manufacturers apart from the key players and unorganized players constitute over 40% market share (*Source: F&S Report*). According to the F&S Report, it is estimated that currently, there are more than 150 unorganized manufacturers operating in India, with North-India constituting the highest number of unorganized manufacturers. However, the unorganized manufacturers lack proper manufacturing set up and do not have modern manufacturing facility for quality checks and testing, majorly assemble the helmets(*Source: F&S Report*). According to the F&S Report, there are approximately nine key organized manufacturers in India. Our key competitors are Vega and Steelbird (*Source: F&S Report*). See "***Risk Factors – Our industry is competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows***." on page 26.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of the certain sector specific laws and regulations in India, which are applicable to our Company and its operations. The information detailed in this section, is based on the current provisions of Indian laws which are subject to amendments, changes and modifications. The information detailed herein has been obtained from sources available in the public domain. The laws and regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Industry specific legislations

Motor Vehicles Act, 1988 ("MV Act")

The MV Act is designed to protect the rights of road accident victims where the identity of motor vehicle causing the accident cannot be established. The MV Act, among other things, provides for compulsory driving license and compensation in case of no fault liability and hit and run cases. Under the MV Act, it is the responsibility of the owner of the vehicle to ensure that the driver of the vehicle has a valid driving license and is not below the prescribed age limit. Acts such as driving the vehicle without a valid license, allowing such person to use the vehicle, and driving vehicle of unsafe condition, are criminal offences under the MV Act. Additionally, the MV Act makes it mandatory to wear of protective headgear or motorcycle helmet conforming to the standards set by the Bureau of Indian Standards.

The states of Assam, Bihar, Union Territory of Chandigarh, Chhattisgarh, Karnataka, Tamil Nadu, Goa, Gujarat, Haryana, Himachal Pradesh, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Orissa, Rajasthan and Tripura have enacted rules pursuant to the provisions of the MV Act.

Bureau of Indian Standards Act, 2016 ("Bureau of Indian Standards Act")

The Bureau of Indian Standards Act provides for the establishment of a national standards body for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The Bureau of Indian Standards Act provides for the functions of the bureau which include, *inter alia*: (a) recognizing the mark of any international body or institution at par with the Standard Mark for goods, article, process, system or service; (b) seeking recognition of the Bureau and of the Indian Standards outside India in any country or with any international organization; (c) carrying out market surveillance or survey of any goods, article, process, system or service to monitor their quality and publishing findings of such surveillance or surveys; and (d) promotion of quality in connection with any goods, article, process, system or service by creating awareness among the consumers and the industry and educating them about quality and standards.

The Ministry of Road Transport and Highways has proposed a notification which makes it compulsory for all helmets for two wheeler riders to conform to IS:4151:2015 standards. The draft notification released by the Ministry of Road Transport and Highways has been sent to the public for comments and is yet to be notified by the Ministry of Road Transport and Highways.

Importer exporter code ("IEC")

In India, exports and imports are regulated by the Foreign Trade (Development and Regulation) Act, 1992 ("**FTDRA**") which seeks to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. Pursuant to the provisions of the FTDRA, every importer and exporter in India must obtain an IEC from the Director General of Foreign Trade ("**DGFT**") or from any other officer duly authorised under the FTDRA. Failure to obtain the IEC number may lead to penal action under the FTDRA. Further, the DGFT is authorised to suspend or cancel the IEC in case of (i) contravention by any person of the provisions of FTDRA or the foreign trade policy or any law relating to central excise or customs or foreign exchange or commission of any other economic offence under any other law specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or bringing disrepute to the credit or the goods of or services or technology, provided from the country or (iii) importing or exporting specified goods or services or technology, in contravention of any provision of FTDRA or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special licence, granted by the DGFT to that person in a manner and subject to conditions as may be prescribed.

ENVIRONMENTAL REGULATIONS

All manufacturing companies must ensure compliance with various applicable environmental legislations. Some of the important environmental legislations *inter alia* are the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Environment Protection Act, 1986. Companies are required to obtain consents of the relevant State Pollution Control Boards for emissions and discharge of effluents into the environment. The relevant authority will assess the impact of the project on the environment before granting clearance. The clearance may be granted subject to certain conditions/alterations required to be made in the project.

The Environment (Protection) Act, 1986, as amended (“**EPA**”)

The EPA was enacted to act as an “umbrella” legislation designed to provide a frame work for co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorises the central government to protect and improve environment quality, control and reduce pollution.

The Air (Prevention and Control of Pollution) Act, 1981, as amended (“Air Act”)

The Air Act was enacted and designed for the prevention, control and abatement of air pollution and establishes central and state Boards for the aforesaid purposes. In accordance with the provisions of the Air Act, any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must apply in a prescribed form and obtain consent from the State Pollution Control Board prior to commencing any activity.

The Water (Prevention and Control of Pollution) Act, 1974, as amended (“Water Act”) and The Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (“Water Cess Act”)

The Water Act was enacted to provide for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water. Further, the Water Act also provides for the establishment of boards with a view to carrying out the aforesaid purposes for conferring on and assigning to such boards powers and functions relating thereto. In addition, the Water Cess Act was enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the central board and state boards for the prevention and control of water pollution constituted under the Water Act.

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, (“Hazardous Wastes Rules”)

The Hazardous Waste Rules is to control the collection, reception, treatment and storage of hazardous waste. The Hazardous Waste Rules prescribes for every person who is engaged in generation, treatment, processing, package, storage, transportation, use, collection, destruction, conversion, recycling, offering for sale, import, export, transfer or the like of the hazardous and other wastes to obtain an authorisation from the relevant state pollution control board.

INTELLECTUAL PROPERTY LAWS

The Design Act, 2000 (“Design Act’’)

The Design Act, which came into force in May 2001, along with the rules made thereunder consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new or original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or by use or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registered. A registered design is valid for a period of 10 years after which can be renewed for a second period of five years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

The Trademarks Act, 1999 ("Trademarks Act")

In India, trademarks enjoy protection under both statutory and common law and Indian trademark law permits the registration of trademarks for both goods and services. The Trademarks Act governs the statutory protection of trademarks and the prevention of the use of fraudulent marks in India. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future.

Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law with international practice.

Foreign Investment Laws

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by RBI thereunder, and the Consolidated FDI Policy ("**Consolidated FDI Policy**") issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**") from time to time. Under the current FDI Policy (effective August 28, 2017) 100% foreign direct investment is permitted in manufacturing, under the automatic route.

In terms of applicable regulations notified under FEMA and the SEBI (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**"), investments by Foreign Portfolio Investors ("**FPIs**") in the capital of an Indian company under the SEBI FPI Regulations are subject to certain limits individual holding limits of 10% of the capital of the company per FPI and the aggregate holding limit of 24% of the capital of the company. However, the aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a resolution of the company's board of directors, followed by a special resolution by the shareholders and prior intimation to the RBI.

Laws related to employment

Depending on the nature of work and number of workers employed at any workplace, various labour related legislations may apply to us. The following is an indicative list of labour laws applicable to our operations in India:

- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employee's Compensation Act, 1923;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Employees' State Insurance Act, 1948;
- The Factories Act, 1948;
- The Industrial Disputes Act, 1947;
- The Industrial Employment (Standing Orders) Act, 1946;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965;
- The Payment of Gratuity Act, 1972;
- The Payment of Wages Act, 1936;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Trade Unions Act, 1926; and
- The Workmen's Compensation Act, 1923., Prohibition and Redressal) Act, 2013 and the Interstate Migrant Workmen Act, 1979 and Trade Unions Act, 1926

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Studds Accessories Private Limited' on February 3, 1983 under the Companies Act 1956, with a certificate of incorporation granted by the RoC. Our Company became a deemed public limited company in terms of Section 43(A) of the Companies Act 1956 with effect from March 31, 1990 and the word 'private' was deleted from the name of our Company. Our Company subsequently got converted into a public limited company pursuant to a special resolution dated October 22, 1994 passed by the shareholders of our Company and our name was changed to 'Studds Accessories Limited'. Our certificate of incorporation was updated to reflect such conversion.

Corporate profile

For a description of our corporate profile, history, activities, services, products, market of each segment, the growth of our Company, exports and profits due to foreign operations together with the country-wise analysis, the standing of our Company with reference to prominent competitors with reference to our products, technology, capacity build-up, major suppliers and customers, segment i.e. geographical segment etc., see "***Industry Overview***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 100, 129 and 299 respectively. For details of the management of our Company and our managerial competence, see "***Our Management***" on page 150.

Changes in registered office

Details of changes in the address of our registered office are set forth below.

Effective date	Details of change	Reasons for change
June 28, 1990	The address of the registered office of our Company was changed from Plot No. 79, Sector 16A, Faridabad 121 002, Haryana , India to 560, Sector 16A, Faridabad 121 002, Haryana, India	The registered office of our Company was changed with a view to achieve administrative and operational efficiency.
September 15, 2004	The address of the registered office of our Company was changed from 560, Sector 16A, Faridabad 121 002, Haryana, India to Havells Compound, 14/3 Mathura Road, Faridabad 121 003, Haryana, India	The registered office of our Company was changed with a view to achieve administrative and operational efficiency.
April 15, 2009	The address of the registered office of our Company was changed from Havells Compound, 14/3 Mathura Road, Faridabad 121 003, Haryana, India to 23/7, Mathura Road, Ballabgarh, Faridabad 121 004, Haryana, India.	The registered office of our Company was changed with a view to achieve administrative and operational efficiency.

Our main objects

The main objects of our Company as contained in our Memorandum of Association are:

1. *"To carry on the business of buyers, sellers, exporters, importers, and dealers of merchandise, commodities, machinery, equipment, articles manufacturers or otherwise. Produce of all kinds to or from any country.*
2. *To take up agencies of any or all kinds of goods manufactured in India or abroad and to act as their representatives, agents, distributors in or outside the country.*
3. *To act as importers, exporters, forwarding agents, to insure and underwrite and deal with goods, merchandise or other properties for the purpose of export or import thereof.*
4. *To carry on the business of manufacturing and marketing in India and abroad all types of Helmets, gadgets, and accessories, spare parts and component for Two Wheelers and automobiles made of Plastic, Fibre glass, PVC and such other materials."*

The main objects clause as contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to our Memorandum of Association

Set forth below are the details of changes that have been made to our Memorandum of Association since incorporation of our Company.

Date of change/ shareholders' resolution	Nature of amendment
June 28, 1986	The authorised share capital of our Company was increased from ₹ 200,000 divided into 2,000 equity shares of ₹ 100 each to ₹ 500,000 divided into 5,000 equity shares of ₹ 100 each.
June 1, 1991	The authorised share capital of our Company was increased from ₹ 500,000 divided into 5,000 equity shares of ₹ 100 each to ₹ 2,500,000 divided into 25,000 equity shares of ₹ 100 each
July 12, 1994	Clause III (A) of the Memorandum of Association was amended to insert new clause 4: "*To carry on the business of manufacturing and marketing in India and abroad all types of Helmets, gadgets and accessories, spare parts and component for Two Wheelers and automobiles made of Plastic, Fibre glass, PVC and such other materials.*"
September 26, 1994	The authorised share capital of our Company was increased from ₹ 2,500,000 divided into 25,000 equity Shares of ₹ 100 each to ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each.
October 22, 1994	Clause I of the Memorandum of Association was altered to reflect the change in name of our company from 'Studds Accessories Private Limited' to 'Studds Accessories Limited'.
March 22, 2018	The authorised share capital of our Company was increased from ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each to ₹ 250,000,000 divided into 25,000,000 equity shares of ₹ 10 each.
July 7, 2018	The authorised share capital of our Company was altered from 25,000,000 equity shares of ₹ 10 each to 50,000,000 equity shares of ₹ 5 each
	Alteration of the heading appearing in the MoA of our Company by substituting with the following heading: "*THE COMPANIES ACT, 2013*"
	Alteration of the heading of Part A of clause III of the MoA by substituting with the following new heading: "*Objects to be pursued by the company on its incorporation are*"
	Alteration of the heading of Part B of clause III of the MoA by substituting with the following new heading: "*Matters which are necessary for furtherance of the objects specified in clause III(A) are*"
	All the sub-clauses from 1 to 10 of part C of Clause III of the MoA merged with Part B of Clause III of the MoA and deletion of the heading of Part C of Clause III of the MoA
	Clause IV of the MoA was amended to read as: "*The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them*"
	References of the provisions of Companies Act 1956 were replaced with the provisions of Companies Act 2013

Total number of shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has 294 equity shareholders. For further details on the shareholding of our Company, see "***Capital Structure***" on page 65.

Our major events and milestones

Set forth below are the major events in the history of our Company.

Calendar Year	Description
1983	Incorporation of our Company
1996	Our first manufacturing plant was set up in Faridabad, Haryana, India

Calendar Year	Description
1999	Our trademark 'Studds' was assigned to us by Studds Limited
2001	Commencement of export of motorcycle helmets to Europe wherein, we exported motorcycle helmets to Czech Republic
2003	Our second manufacturing plant was set up in Faridabad, Haryana, India
2005	Our third manufacturing plant was set up in Faridabad, Haryana, India
2009	Manufacturing Facility I was set up and the above-mentioned three facilities were shifted to this facility
2012	Manufacturing Facility II was set up in Faridabad, Haryana, India
2015	Expansion of Manufacturing Facility I by taking the adjoining premises on lease
2016	Launch of the "*SMK*" brand

Awards, achievements and certifications

A. Awards and achievements

Calendar Year	Details
2014	Our Company received the Accessories Award from Honda Motors India Private Limited
2017	Our Company was awarded by Honda Motorcycle & Scooter India Private Limited ("**HMSI**") for our valuable contribution in making HMSI 'an over 6 million company'

B. Certifications

Quality related certifications

We have received the following quality certifications:

(i) Our Company's management system has been certified to be in compliance with ISO 9001:2015 standards pursuant to a certificate of registration 180730019101 dated July 30, 2018 issued by TNV Certification Private Limited (accredited by United Accreditation Foundation). The certificate is valid until July 29, 2019. The certificate is valid for manufacturing and supply of crash helmets, side boxes for motor cycles and helmet locking devices.

(ii) Our Company's environmental management system has been certified to be in compliance with ISO 14001:2015 standards pursuant to a certificate of registration 180730029101 dated July 30, 2018 issued by TNV Certification Private Limited (accredited by United Accreditation Foundation). The certificate is valid until July 29, 2019. The certificate is valid for manufacturing and supply of crash helmets, side boxes for motor cycles and helmet locking devices.

(iii) Our Company's occupational health and safety management system has been certified to be in compliance with OHSAS 18001:2007 standards pursuant to a certificate of registration 180730039101 dated July 30, 2018 issued by TNV Certification Private Limited (accredited by United Accreditation Foundation).The certificate is valid until July 29, 2019. The certificate is valid for manufacturing and supply of crash helmets, side boxes for motor cycles and helmet locking devices.

(iv) The protective helmets for motorcycle riders manufactured at our Manufacturing Facility I have been certified to be in compliance with IS 4151:1993 standards pursuant to license no. 9169691 dated April 9, 2018 issued by BIS. The certificate is valid from March 16, 2018 to March 15, 2019.

(v) The protective helmets for motorcycle riders manufactured at our Manufacturing Facility II have been certified to be in compliance with IS 4151:1993 standards pursuant to license no. 9981313 dated March 8, 2018 issued by BIS. The certificate is valid from February 16, 2018 to February 15, 2019.

(vi) The industrial helmets manufactured by our Company have been certified to be in compliance with IS: 2925:1984 standards pursuant to license no. CM/L- 9301160 dated October 18, 2017 issued by BIS. The certificate is valid until September 30, 2018.

(vii) The testing facilities of our Manufacturing Facility I have been certified to be in compliance with ECE 22.05 consolidated to supplement 2 revision 4 amendment 1 protective helmets standards pursuant to a certificate of registration FABIND22 dated June 23, 2017 issued by the Vehicle Certification Agency. The certificate is valid until June 22, 2019.

(viii) Our Company's protective helmets under the 'Studds' and the 'SMK' brands manufactured at Manufacturing Facility I have been certified to be in compliance with SLS 517:1994 standards pursuant to certificate of registration nos. 1820 and 1821, each dated July 21, 2017 issued by SLSI for exporting to Sri Lanka. The certificates were valid until July 20, 2018 and we have made an application for the renewal of these certifications.

(ix) Our Company's protective helmets under the 'Studds' brand manufactured at Manufacturing Facility II have been certified to be in compliance with SLS 517:1994 standards pursuant to a certificate of registration no. 1822 dated July 21, 2017 issued by SLSI for exporting to Sri Lanka. The certificate is valid until July 20, 2018 and we have made an application for the renewal of this certificate.

Changes in activities of our Company during the last five years

There have been no changes in the activities of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Capital raising (Equity/ Debt)

Our equity issuances in the past and outstanding debt as on June 30, 2018 have been provided in "***Capital Structure***" and "***Financial Indebtedness***" on pages 65 and 320, respectively. Further, our Company has not undertaken any public offering of debt instruments since its incorporation.

Strikes and lock-outs

We have not experienced any strike, lock-out or labour unrest since incorporation.

Time/cost overrun

Other than as disclosed below, there have been no time/cost overruns pertaining to our business operations since incorporation.

We had experienced a delay in the construction of our Manufacturing Facility I by a period of three months pursuant to which we had rescheduled our repayment schedule for a loan facility availed of from Bank of Maharashtra, by a period of one year.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company

Except as set forth below, there have been no defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into Equity Shares in relation to our Company.

Our Company had availed of two loan facilities of ₹ 42.00 million and ₹ 15.00 million from Bank of Maharashtra ("**BoM**"). There was a delay in the construction of our Manufacturing Facility I and hence, pursuant to a letter dated January 30, 2009, our Company had requested the BoM to defer the repayment scheduled by a period of one year to which the BoM agreed, pursuant to a letter dated March 23, 2009. The afore-mentioned loans were repaid in accordance with the revised repayment schedule.

Injunctions or restraining order against our Company

As on the date of this Draft Red Herring Prospectus, our Company is not presently operating under any injunction or restraining order.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.

Except as disclosed below, our Company has not acquired any business or undertaking, or entered into any scheme of merger or amalgamation since incorporation. Further, our Company has not revalued its assets since its incorporation.

(i) Acquisition of M.G. Steel Limited

Pursuant to resolutions passed by our Board dated December 14, 2002, our Company acquired 99.24% of the share capital of M.G Steel Private Limited (later converted to a public company, pursuant to our acquisition) ("**M.G. Steel**"). Consequently, M.G. Steel became a subsidiary of our Company.

(ii) Sale of 99.24% shareholding in M.G. Steel

Pursuant to a resolution passed by our Board on March 8, 2018 and in accordance with the share purchase agreement dated March 8, 2018 entered into between our Company and Mr. Sanjay Leekha and Ms. Charu Leekha, our Company has sold its entire shareholding in M.G. Steel to Mr. Sanjay Leekha and Ms. Charu Leekha.

Shareholder agreements and other material agreements

There are no shareholders' agreement among the shareholders of the Company that our Company is party to or is aware of.

Other material agreements

Our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two years preceding the date of this Draft Red Herring Prospectus.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company.

Subsidiaries of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

Our Joint Ventures or associate companies

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint venture or associate companies.

Strategic and financial partnerships

As on the date of this Draft Red Herring Prospectus, our Company does not have any strategic or financial partners.

Guarantees provided by our Promoters

As on the date of this Draft Red Herring Prospectus, other than the personal guarantees of ₹ 490.00 million provided by our Promoters for the term loan and working capital demand loan facilities sanctioned to us, our Promoters have not provided any other personal guarantees. For details of the loan facilities availed of by us, see "***Financial Indebtedness***" on page 320.

OUR MANAGEMENT

Under the Articles of Association, our Company is authorised to have a minimum of four and a maximum of 15 Directors. As on the date of this Draft Red Herring Prospectus, we have five Directors on our Board, comprising two whole-time Directors and three independent Directors, including one woman director.

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

Name, designation, address, occupation, nationality, term and DIN	Age (in years)	Other Directorships
Mr. Madhu Bhushan Khurana *Designation*: Chairman and Managing Director *Address*: House No. 1349, Sector 14, Faridabad, Haryana 121 007, India *Occupation*: Business *Nationality*: Indian *Term*: Liable to retire by rotation *DIN*: 00172770	69	Nil
Mr. Sidhartha Bhushan Khurana *Designation*: Managing Director *Address*: House No. 1349, Sector 14, Faridabad, Haryana 121 007, India *Occupation*: Business *Nationality*: Indian Term: Liable to retire by rotation DIN: 00172788	41	Nil
Mr. Shanker Dev Choudhry *Designation*: Independent Director *Address*: House No. 1075, Sector 14, Escortsnagar, Faridabad 121 007 Haryana, India *Occupation*: Retired *Nationality*: Indian *Term*: Five years with effect from March 2, 2015 *DIN*: 07094705	71	Nil
Ms. Pallavi Saluja *Designation*: Independent Director *Address*: C-29, South Extension Part-1, Andrewsganj S.O., New Delhi 110 049, India Occupation: Service *Nationality*: Indian *Term*: Five years with effect from March 2, 2015	39	SAB Media Software Services Private Limited

Name, designation, address, occupation, nationality, term and DIN	Age (in years)	Other Directorships
DIN: 07006557		
Mr. Pankaj Duhan *Designation*: Independent director *Address*: 322 Sector 23, Chatarpuri alias Daulatpur, Nasirabad, Gurugram 122 001, Haryana, India *Occupation*: Service *Nationality*: Indian *Term*: Five years with effect from April 9, 2018 *DIN*: 08093989	41	Nil

In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation.

Relationship between Directors

Other than Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana, who are related to each other as father and son, respectively, none of our other Directors are related to each other.

Brief profiles of our Directors

Mr. Madhu Bhushan Khurana is the chairman and Managing Director of our Company. He holds a bachelor's degree in engineering (aeronautical) from the Panjab University. Madhu Bhushan Khurana has been on our Board since our Company's incorporation. Prior to incorporating our Company, he was an entrepreneur and had commenced the business of manufacturing motorcycle helmets. He has over 35 years of experience in the field of business administration, finances, strategies and manufacturing.

Mr. Sidhartha Bhushan Khurana is the Managing Director of our Company. He holds a bachelor's degree in engineering (aeronautical) from the Panjab University. He has been on our Board since 1998. He has more than 19 years of experience in the field of business administration, finance, strategy and manufacturing.

Mr. Shanker Dev Choudhry is an independent Director of our Company. He holds a bachelor's degree in science (metallurgy) from the Panjab University. He has been on our Board since March 2, 2015. Previously, he has worked with the Bureau of Indian Standards for more than 20 years and has experience in quality management and quality control activities.

Ms. Pallavi Saluja is an independent director of our Company. She holds a bachelor's degree in law from the University of Pune. She has been on our Board since March 2, 2015. Previously, she has worked with Archer & Angel. At present, she is a director on the board of directors of Sab Media Software Services Private Limited and is also an associate editor there.

Mr. Pankaj Duhan is an independent director of our Company. He holds a bachelor's degree in engineering (electronics and electric communication) from Punjab Engineering College and a master's degree in management from the Indian Institute of Management, Ahmedabad. Previously, he was associated with Procter & Gamble Europe SA, Singapore for more than a decade, where he has held the position of a brand director, among others. At present, he is a marketing director (South Asia - Health) at Reckitt Benckiser.

Terms of appointment of our whole-time Directors

Mr. Madhu Bhushan Khurana

Pursuant to a resolution passed by our Board on August 28, 2015 and a resolution passed by our shareholders on September 26, 2015, Mr. Madhu Bhushan Khurana was last re-appointed as our chairman and Managing Director with effect from October 1, 2015 for a period of five years. Further, he is also liable to retire by rotation.

Additionally, pursuant to a resolution passed by our shareholders on April 26, 2018, Mr. Madhu Bhushan Khurana is entitled to receive the below mentioned remuneration and perquisites until September 30, 2020.

Particulars	Remuneration per annum
Basic salary	₹ 0.50 million per month
Commission	Up to 5% of the net profits (inclusive of the payment made under salary and perquisites and allowances mentioned) of our Company for each financial year or part thereof. Net profits to be calculated according to the provisions of Section 198 of the Companies Act 2013.
Perquisites	*Special allowance*: Up to ₹ 0.25 million (50% of basic salary) (payable monthly)
	Medical Reimbursement: Reimbursement of the expenses incurred for himself and his family subject to a ceiling of three months' basic salary every year and such actual expenses as prescribed under proviso to Section 17 (2) of the Income Tax Act.
	Leave Travel Concession: Leave travel concession for him and his family (*Family means the spouse, dependent children and dependent parents*) subject to a ceiling of three months' basic remuneration.
	Actual electricity and water charges of his residence
	Hard and soft furnishing at residence equivalent to three months' basic salary every year.
	Provident fund, bonus, gratuity: In accordance with the rules of our Company.
	Medical insurance premium: In accordance with the rules of our Company.
	Coverage under medical claim insurance, group personal accident insurance and term insurance in accordance with the policies of our Company.
	Security: Round the clock, one armed security guard to be provided by our Company at his residence
	Motor car: Company maintained two motor cars with chauffeurs for official and personal use
	Club membership: Annual fees subject to four clubs
	Telephone: Telephone provided at residence to be paid by our Company and mobile phone expenses in accordance with the rules of our Company.

Mr. Sidhartha Bhushan Khurana

Pursuant to the resolution passed by our shareholders on April 26, 2018, Mr. Sidhartha Bhushan Khurana was last re-appointed as the Managing Director of our Company with effect from April 1, 2018 for a period of five years until March 31, 2023. Further, he is also liable to retire by rotation.

Further, pursuant to the afore-mentioned resolution passed by our shareholders, until Fiscal 2023, Mr. Sidhartha Bhushan Khurana is entitled to the below mentioned remuneration and perquisites.

Particulars	Remuneration per annum
Basic salary	₹ 0.50 million per month
Commission	Up to 5% of the net profits (inclusive of the payment made under salary and perquisites and allowances mentioned) of our Company for each financial year or part thereof. Net profits to be calculated according to the provisions of Section 198 of the Companies Act 2013.
Perquisites	*Special allowance*: Up to ₹ 0.25 million (50% of basic salary) (payable monthly)
	Medical Reimbursement: Reimbursement of the expenses incurred for himself and his family subject to a ceiling of three months' basic salary every year and such actual expenses as prescribed under proviso to Section 17 (2) of the Income Tax Act.
	Leave travel concession: Leave travel concession for him and his family (*Family means the spouse, dependent children and dependent parents*) subject to a ceiling of three months' basic remuneration.
	Actual electricity and water charges of his residence
	Hard and soft furnishing at residence equivalent to three months' basic salary every year.
	Provident fund, bonus, gratuity: In accordance with the rules of our Company.
	Medical insurance premium: In accordance with the rules of our Company.
	Coverage under medical claim insurance, group personal accident insurance and term insurance in accordance with the policies of our Company.
	Security: Round the clock, one armed security guard to be provided by our Company at his residence
	Motor car: Company maintained two motor cars with chauffeurs for official and personal use
	Club membership: Annual fees subject to four clubs
	Telephone: Telephone provided at residence to be paid by our Company and mobile phone expenses in accordance with the rules of our Company.

Compensation paid to our whole-time Directors

The remuneration received by our whole-time Directors in Fiscal 2018 are as follows:

(*₹ in million*)

Name of Director	Remuneration
Mr. Madhu Bhushan Khurana	15.05
Mr. Sidhartha Bhushan Khurana	15.15

In respect of our whole-time Directors, there is no contingent or deferred payment accrued for Fiscal 2018.

Compensation paid to our independent Directors

Pursuant to a resolution dated March 29, 2017 passed by our Board, our independent Directors are entitled to receive a sitting fee of ₹ 5,000.00 for attending each meeting of our Board and committees thereof.

The sitting fees payable to our independent Directors in Fiscal 2018 were as follows:

(*₹ in million*)

Name of Director	Sitting fees
Pallavi Saluja	0.08
Shanker Dev Choudhry	0.06
Pankaj Duhan*	-

**As Pankaj Duhan was appointed on April 9, 2018, he was not paid any remuneration in Fiscal 2018.*

Loans to Directors

No loans have been availed of by the Directors from our Company.

None of our Directors are related to the sundry debtors of our Company.

Bonus or profit sharing plan for the Directors

Except as mentioned under "- ***Terms of Appointment of our Whole-time Directors***" above, our Company does not have a bonus or profit sharing plan for our Directors.

Shareholding of our Directors in our Company

Our Articles of Association do not require the Directors to hold any qualification shares.

For details of Equity Shares held by our Directors as on the date of this Draft Red Herring Prospectus, see "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 79.

Service contracts with Directors

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

Interest of Directors

All our Directors may be deemed to be interested to either to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, for services rendered as officers of our Company, if any, payable to them.

Our Directors may also be interested to the extent of Equity Shares and to the extent of any dividend payable to them, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

Our chairman and our Managing Directors, Mr. Madhu Bhushan Khurana and one of the members of our Promoter Group, Ms. Chand Khurana have entered into a lease deed dated August 1, 2018 with our Company, pursuant to which Mr. Madhu Bhushan Khurana and Ms. Chand Khurana have leased their property situated at Flat B-1-102, Mahindra Chloris, Sector 19, Mathura Road, Faridabad, Haryana, India to our Company for an amount of ₹ 25,000 each to be paid as rent by the Company per month to Mr. Madhu Bhushan Khurana and Ms. Chand Khurana. The lease agreement is valid until June 30, 2019.

For further details regarding the shareholding of our Directors, see "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 79.

Interest in property

Our Directors are not interested in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus, or presently intended to be acquired by it.

Interest in promotion of our Company

Except Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana, who are the Promoters of our Company, our Directors have no interest in the promotion of our Company, as on the date of this Draft Red Herring Prospectus. For more details, see "***Our Promoters, Promoter Group and Group Companies***" on page 163.

Confirmations

Our Directors are not, and during the five years prior to the date of this Draft Red Herring Prospectus, have not been on the board of any listed company whose shares have been/were suspended from being traded on BSE or NSE.

None of our Directors has been or is a director on the board of any listed companies which have been or were delisted from any stock exchange.

None of our directors are associated with the securities market.

None of our Directors have been identified as willful defaulters (as defined under the SEBI ICDR Regulations).

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name of Director	Date of Change	Reasons
Ms. Garima Khurana	March 29, 2017	Appointment as whole-time director*
Ms. Chand Khurana	January 23, 2018	Cessation as whole-time director
Ms. Garima Khurana	January 23, 2018	Cessation as whole-time Director
Mr. Sanjay Leekha	January 23, 2018	Cessation as non-executive Director
Ms. Charu Leekha	January 23, 2018	Cessation as non-executive Director
Mr. Pankaj Duhan	April 9, 2018	Appointment as an independent Director**

**Appointment regularized on September 28, 2017*
*** Appointment will be regularized in the next Annual General Meeting*

Borrowing powers of our Board

Pursuant to our Articles of Association, subject to applicable laws and pursuant to a resolution passed by our shareholders on April 26, 2018, our Board has been authorised to borrow sums of money with or without security, which, together with the monies borrowed by our Company (excluding temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) shall not exceed the amount of ₹ 5,000.00 million over and above the aggregate of the paid-up share capital and free reserves of our Company (not being reserves set apart for any specific purpose).

Corporate Governance

As on the date of this Draft Red Herring Prospectus, there are five Directors on our Board, comprising two whole-time Directors and three independent Directors, including one woman Director. One of our Promoters, Mr. Madhu

Bhushan Khurana, is also our chairman and Managing Director. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company is in compliance with the corporate governance requirements prescribed under the SEBI Listing Regulations and the Companies Act 2013 in relation to the composition of our Board, constitution of committees thereof and the formulation of policies.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act 2013.

Board committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act 2013:

(i) Audit Committee;

(ii) Nomination and Remuneration Committee;

(iii) Stakeholders' Relationship Committee; and

(iv) Corporate Social Responsibility Committee ("**CSR Committee**").

Audit Committee

Our Audit Committee was last re-constituted pursuant to a resolution of our Board dated June 8, 2018 and is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

Mr. Shanker Dev Choudhry - Independent Director (Chairperson)
Ms. Pallavi Saluja – Independent Director (Member)
Mr. Sidhartha Bhushan Khurana – Managing Director (Member)
Mr. Pankaj Duhan – Independent Director (Member)

The Company Secretary shall act as the secretary of the Audit Committee.

Scope and terms of reference: The terms of reference of the Audit Committee are set forth below.

The role of the Audit Committee shall include the following:

i. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

ii. recommendation for appointment, removal re-appointment, replacement, remuneration and terms of appointment of external auditors of the Company and the fixation of the audit fee and payment of any other services;

iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. reviewing, the financial statements with respect to its unlisted subsidiary(ies), in particular investments made by such subsidiary(ies) of the Company;

v. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions; and
   g. Modified opinion(s) in the draft audit report.

vi. reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

vii. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

viii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

ix. approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed ;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act 2013.

x. scrutiny of inter-corporate loans and investments;

xi. valuation of undertakings or assets of the Company, wherever it is necessary;

xii. evaluation of internal financial controls and risk management systems;

xiii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiv. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xv. discussion with internal auditors of any significant findings and follow up there on;

xvi. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xvii. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xviii. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xix. reviewing the functioning of the whistle blower mechanism;

xx. overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

xxi. approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and

xxii. carrying out any other functions required to be carried out by the Audit Committee in terms of applicable law.

The Audit Committee shall mandatorily review the following information:

i. management discussion and analysis of financial condition and results of operations;

ii. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

iii. management letters / letters of internal control weaknesses issued by the statutory auditors;

iv. internal audit reports relating to internal control weaknesses;

v. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

vi. statement of deviations in terms of the SEBI Listing Regulations:

   a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations; and

   b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was last reconstituted on June 8, 2018. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

Ms. Pallavi Saluja – Independent Director (Chairperson)
Mr. Shanker Dev Choudhry – Independent Director (Member)
Mr. Pankaj Duhan – Independent Director (Member)
Mr. Madhu Bhushan Khurana – Chairman and Managing Director (Member)

Scope and terms of reference: The terms of reference of the Nomination and Remuneration Committee are set forth below:

Nomination and Remuneration Committee shall:

i. identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;

ii. recommend to the board the above persons for appointment as directors and their removal;

iii. carry out evaluation of every director's performance;

iv. formulate the criteria for determining qualifications, positive attributes and independence of a Director; and

v. recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees.

The Nomination and Remuneration Committee shall ensure that:

i. the structure of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

ii. the relationship of remuneration to performance is clear and meets appropriate bench-marks;

iii. the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives to the working of the company and its goal; and
iv. the policy referred to above shall be disclosed in the Board's report.

Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee was constituted by a resolution of our Board dated June 8, 2018, in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

Mr. Shanker Dev Choudhry – Independent Director (Chairperson)
Mr. Madhu Bhushan Khurana – Chairman and Managing Director (Member)
Mr. Sidhartha Bhushan Khurana - Managing Director (Member)

Scope and terms of reference: The terms of reference of Stakeholders' Relationship Committee are as follows:

i. Considering and resolving grievances of shareholders, debenture holders and other security holders.

ii. Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of equity Shares, transfer of equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.

iii. Allotment of equity shares, approval of transfer or transmission of equity shares, debentures or any other securities.

iv. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.

v. Carrying out any other functions required to be undertaken by the Stakeholders Relationship Committee under applicable law.

vi. overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.

vii. investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities.

CSR Committee

Our CSR Committee was last reconstituted by a resolution of the Board dated June 8, 2018, and its composition and terms of reference are in compliance with Section 135 of the Companies Act 2013. The CSRCommittee currently comprises:

Mr. Madhu Bhushan Khurana – Chairman and Managing Director (Chairperson)
Mr. Sidhartha Bhushan Khurana – Managing Director (Member)
Ms. Pallavi Saluja – Independent Director (Member)

Scope and terms of reference: The terms of reference of the CSR Committee are as follows:

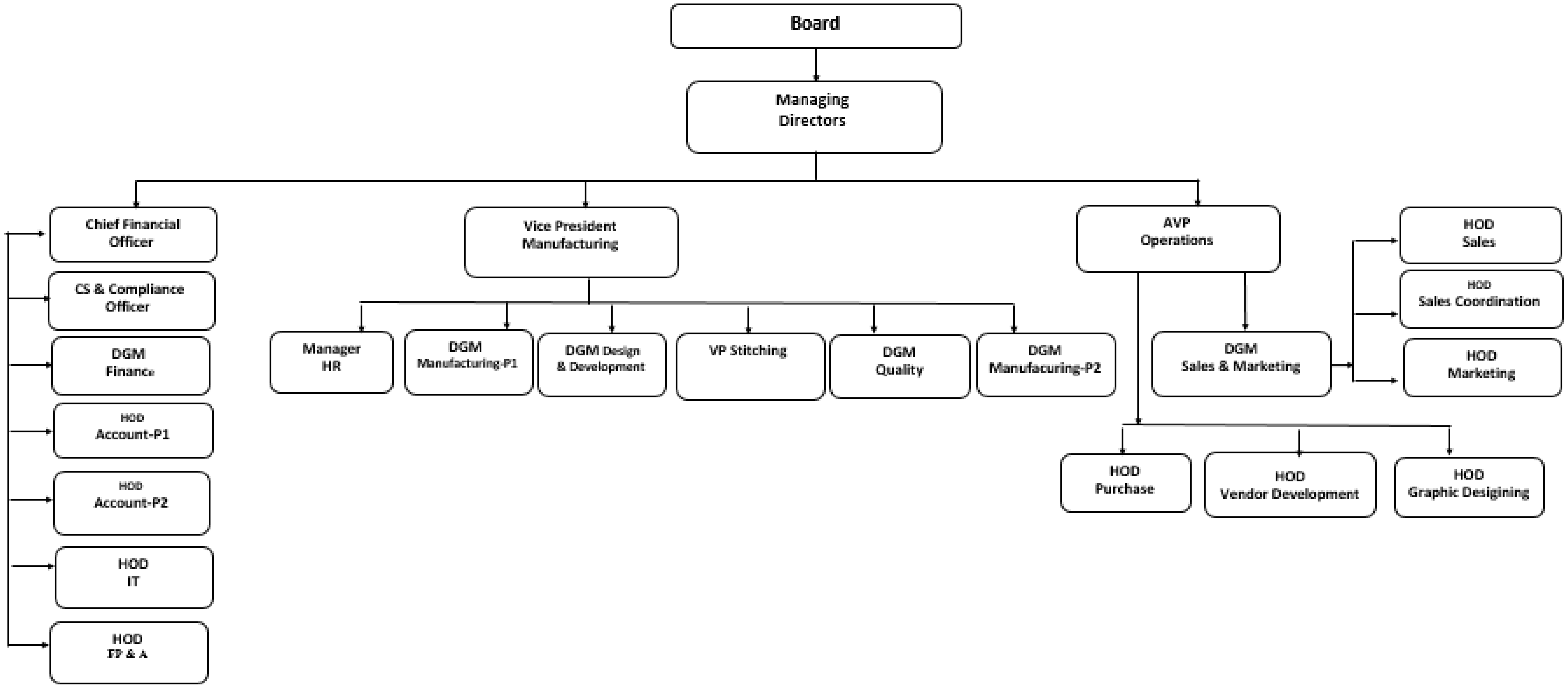
i. formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto, in accordance with Schedule VII of the Companies Act;

ii. recommending the amount of expenditure to be incurred on the corporate social responsibility activities;

iii. reviewing and monitoring the implementation of corporate social responsibility policy of the Company; and

iv. performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

Management Organisation Structure



Key Managerial Personnel

In addition to our whole-time Directors, each of whose details are provided in "– ***Brief Profiles of our Directors***" above, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

Mr. Manish Mehta, aged 46 years is our Chief Financial Officer. He is a qualified chartered accountant and was appointed as our Chief Financial Officer with effect from August 10, 2018, pursuant to a Board resolution dated August 7, 2018. Prior to joining our Company, Mr. Manish Mehta was associated with A.C. Mehta & Company, Chartered Accountant, which was our statutory auditor for nearly a decade. He did not receive a remuneration in Fiscal 2018 as he was appointed in Fiscal 2019.

Mr. Supratik Chattopadhyay, aged 49 years is our vice-president (manufacturing). He holds a bachelor's degree in engineering (electronics) from Dr. Babasaheb Ambedkar Marathwada University. He was appointed as our plant manager on June 6, 2014 and was later appointed as our vice-president (manufacturing) with effect from April 1, 2017. Prior to this, he was associated with Varroc Polymers Private Limited as senior manager - maintenance for almost a decade. In Fiscal 2018, he received a remuneration of ₹ 2.26 million.

Mr. Ram Vikram Kumar, aged 31 years is our assistant vice-president (operations). He holds a bachelor's degree in engineering from the University of Mumbai and a master's degree in science (engineering) from Michigan Technological University. He was appointed as DGM (projects) of our Company with effect from July 4, 2016 and was later appointed as our assistant vice-president (operations) with effect from April 1, 2017. Prior to joining our Company, he was associated with Defence Land Systems India Limited. In Fiscal 2018, he received a remuneration of ₹ 1.56 million.

Ms. Kanika Bhutani, aged 33 years is our Company Secretary and Compliance Officer. She holds a bachelor's degree in commerce from the University of Delhi. Ms. Kanika Bhutani is a qualified company secretary. Pursuant to a Board resolution dated January 23, 2018, she was appointed as our Company Secretary with effect from February 1, 2018. Prior to this, she was associated with Asian Oilfield Services Limited as its company secretary. In Fiscal 2018, she received a remuneration of ₹ 0.11 million as she joined our Company on February 1, 2018.

All the Key Managerial Personnel are permanent employees of our Company.

In respect of our Key Managerial Personnel, there is no contingent or deferred payment accrued for Fiscal 2018.

Relationship among Key Managerial Personnel

Except as disclosed under "***- Relationship between our Directors***" above, none of our Key Managerial Personnel are related to each other or to any other Director.

Bonus or profit sharing plan for the Key Managerial Personnel

Except as mentioned under "***- Bonus or profit sharing plan for the Directors***" above, we do not have any bonus or profit sharing plan for the Key Management Personnel.

Shareholding of Key Managerial Personnel

For details of the shareholding of our Key Managerial Personnel, see "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel***" on page 79.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel have not entered into any service contracts with our Company.

Loans to and deposits from Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, there is no amount outstanding under any loan given by our Company or deposit taken by our Company, to the benefit of any Key Managerial Personnel.

Interest of Key Managerial Personnel

None of our Key Managerial Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business, any annual incentive paid to them as part of our incentive scheme for senior management. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer. Further, Mr. Manish Mehta's mother, Ms. Naintara Mehta holds 28,800 Equity Shares and is also a Selling Shareholder. For details of interests of Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana, who are also our Promoters, see "***Our Promoters, Promoter Group and Group Companies – Interests of our Promoters and Related Party Transactions***" on page 163 and "***- Interest of our Directors***" above.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel nor Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or any other person.

Changes in Key Managerial Personnel during the last three years

The changes in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below (other than changes relating to managing directors, which are disclosed under "***- Changes in our Board in the last three years***" above).

Name	Date	Reason
Mr. Supratik Chattopadhyay	April 1, 2017	Appointment as vice-president (manufacturing)
Mr. Ram Vikram Kumar	April 1, 2017	Appointment as assistant vice-president (operations)
Ms. Kanika Bhutani	February 1, 2018	Appointment as Company Secretary
Mr. Sanjay Sethi	May 1, 2018	Appointment as chief financial officer
Mr. Sanjay Sethi	August 3, 2018	Resignation as chief financial officer
Mr. Manish Mehta	August 10, 2018	Appointment as Chief Financial Officer

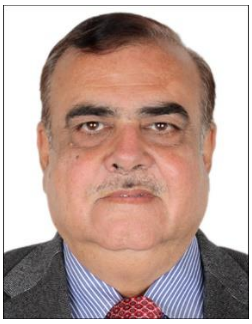
Payment of non-salary related benefits to officers of our Company

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

The Promoters of our Company are Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana. As on the date of this Draft Red Herring Prospectus, our Promoters hold 13,707,360 Equity Shares in aggregate, representing 69.66% of the issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, see "***Capital Structure – Notes to Capital Structure***" on page 65.

I. Details of our Promoters



Mr. Madhu Bhushan Khurana is our chairman and a Managing Director and one of our Promoters. For the complete profile of Mr. Madhu Bhushan Khurana along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, please see "***Our Management – Brief Profiles of our Directors***" on page 151. As on the date of this Draft Red Herring Prospectus, he is not involved in any venture other than our Company. His driver's license number is HR-5119990128373 and his voter identification number is not available.

Mr. Sidhartha Bhushan Khurana is a Managing Director and one of our Promoters. For the complete profile of Mr. Sidhartha Bhushan Khurana along with details of his educational qualifications, professional experience, position/posts held in the past, other ventures, directorships held, special achievements and business and financial activities, please see "***Our Management – Brief Profiles of our Directors***" on page 151. As on the date of this Draft Red Herring Prospectus, he is not involved in any venture other than our Company. His driver's license number is HR-5119960015665 and his voter identification number is not available.

Our Company confirms that the PAN, passport number and bank account number of each of our Promoters will be submitted to the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus with them.

Interests of our Promoters and related party transactions

Interest of our Promoters in the Promotion of our Company

Our Promoters are interested in our Company to the extent of their respective shareholdings in our Company and dividend or other corporate benefits payable, if any, by our Company in relation thereto. For further details of our Promoters' shareholding, see "***Capital Structure – Notes to Capital Structure***" on page 65. Additionally, our Promoters may be deemed to be interested to the extent of remuneration, benefits and reimbursement of expenses payable to them as per the terms of their appointments as Chairman and Managing Directors of our Company. For details, see "***Our Management – Terms of appointment of whole-time Directors***" and "***Our Management – Key Managerial Personnel***" on pages 151 and 161, respectively.

Our Promoters are not interested as members of any firm or any company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce the individual promoter to become, or qualify him as a director, or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Interest of Promoters in the property, acquisition of land, construction of building and supply of machinery

As on the date of this Draft Red Herring Prospectus, our Promoters do not have any interest in any property, whether direct or indirect, acquired by our Company during the two years immediately preceding the date of this Draft Red Herring Prospectus or any property proposed to be acquired by our Company or in any transaction including the acquisition of land, construction of building or supply of machinery.

Our chairman and Managing Directors, Mr. Madhu Bhushan Khurana and one of the members of our Promoter Group, Ms. Chand Khurana have entered into a lease deed dated August 1, 2018 with the Company. For further details on the lease agreement and the interest of our Promoters, see *"**Our Management – Interest of our Directors**"* on page 153.

Except as stated in "- ***Related Party Transactions***" below, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract, arrangements or agreements in which our Promoters are directly or indirectly interested and no payments or benefits are intended to be made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For further details of related party transactions, as per Ind AS 24, see "- ***Related Party Transactions***" below.

Related Party Transactions

For details of related party transactions entered into by our Company, see "***Annexure V – Notes to Restated Standalone Financial Information – Related Party Disclosures***" and "***Annexure V – Notes to Restated Consolidated Financial Information – Related Party Disclosure***" on pages 179 and 248, respectively.

Payment of benefits and guarantees

Except as disclosed in this section and stated otherwise in "- ***Related Party Transactions***" above, about the related party transactions entered into during the last five Fiscals and in "***Our Management***" on page 150**,** no benefits have been paid to our Promoters during the two years preceding the date of this Draft Red Herring Prospectus. For details of the remuneration paid to our whole-time Directors, see "***Our Management – Terms of appointment of whole-time Directors***" and "***Our Management – Interest of Directors***" on pages 151 and 153, respectively.

Confirmations

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Promoters are the original promoters of our Company and there has been no change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, none of our sundry debtors are related to our Promoters. Further, none of our Promoters are related to any beneficiary of loans and advances provided by our Company.

Our Promoters and other members of the Promoter Group have not been declared as wilful defaulters as defined under the SEBI ICDR Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters as on the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been debarred or prohibited by SEBI or any other regulatory or governmental authority from accessing or operating in the capital markets for any reason. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing capital markets under any order or direction made by SEBI or any other authority.

Common pursuits of our Promoters

Our Promoters are not involved with any venture which is in the same line of activity or business as us.

Disassociation by our Promoters in the preceding three years

Except as stated below, there has been no disassociation by our Promoters from any venture during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Name of the entity	Reason for disassociation	Date of disassociation
M.G. Steel	Transfer of control	March 8, 2018

II. Promoter Group

Set forth below are details of our Promoter Group.

S. No.	Name of member of the Promoter Group
	Mr. Madhu Bhushan Khurana
1.	Ms. Chand Khurana (Spouse)
2.	Ms. Shobha Arora (Sister)
3.	Mr. Sidhartha Bhushan Khurana (Son)
4.	Ms. Shilpa Arora (Daughter)
5.	Mr. Govind Rai Gera (Spouse's brother)
6.	Ms. Indu Mehndiratta (Spouse's sister)
7.	Ms. Arti Chawla (Spouse's sister)
8.	Ms. Suman Bathla (Spouse's sister)
9.	Amar Tara Trust
10.	Madhu Chand Trust
11.	RP Arora and Others (HUF)
12.	Dr. Rohit Arora Dentistry Professional Corporation
	Sidhartha Bhushan Khurana
1.	Mr. Madhu Bhushan Khurana (Father)
2.	Ms. Chand Khurana (Mother)
3.	Ms. Garima Khurana (Spouse)
4.	Ms. Shilpa Arora (Sister)
5.	Mr. Adhiraj B. Khurana (Son)
6.	Ms. Anahita Khurana (Daughter)
7.	Mr. Anup Kumar Chhibber (Spouse's father)
8.	Ms. Versha Chhibber (Spouse's mother)
9.	Mr. Apurb Chhibber (Spouse's brother)
10.	Ms. Sonal Raj (Spouse's sister)
11.	Amar Tara Trust
12.	Madhu Chand Trust
13.	Dr. Rohit Arora Dentistry Professional Corporation

Shareholding and other confirmation of our Promoter Group

For details of the shareholding of the members of our Promoter Group in our Company and various confirmations in relation to the members of our Promoter Group, see "***Capital Structure – Shareholding of our Promoters and our Promoter Group***" and "***Other Regulatory and Statutory Disclosures***" on pages 75 and 328, respectively.

III. Group Companies

As per the SEBI ICDR Regulations for the purpose of identification of group companies, our Company has considered companies covered under the applicable accounting standard, as per the Restated Standalone Financial Statements, and other companies as per the materiality policy adopted by our Board through its resolution dated June 8, 2018 for the purpose of disclosure in connection with the Offer. Accordingly, a company shall be considered material and disclosed as a Group Company if such company:

(i) is a member of the Promoter Group and has entered into one or more transactions with the Company in the most recent Fiscal which, individually or in the aggregate, equals or exceeds 5% of the standalone revenue of the Company for the most recent Fiscal ("**Relevant Date**") ; and

(ii) such companies which, subsequent to the Relevant Date would require disclosure in the financial statements of the Company for subsequent periods as entities covered under AS 18/IND AS 24 in addition to/ other than those companies covered under the Restated Standalone Financial Statements included in the Offer Documents (including any stub period in respect of which audited financial statements are included in the offer documents).

Based on the above, as on the date of this Draft Red Herring Prospectus, there are no Group Companies of our Company.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our shareholders at their discretion, subject to the provisions of our Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial condition of our Company. As on the date of this Draft Red Herring Prospectus, our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends.

The dividends declared by our Company on the Equity Shares during Fiscals 2018, 2017, 2016, 2015 and 2014 are set forth below:

Particulars	Fiscal 2018*	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Face value per equity share (in ₹)	5.00^	10.00	10.00	10.00	10.00
Dividend (in ₹)	9,838,350.00	98,38,350.00	8,745,200.00	7,652,050.00	5,247,120.00
Dividend per equity share (in ₹)	0.50	9.00	8.00	7.00	4.80
Equity share capital (in ₹)	98,383,500.00	10,931,500.00	10,931,500.00	10,931,500.00	10,931,500.00
Rate of dividend (%)	10.00	90.00	80.00	70.00	48.00

**The proposed dividend has been approved pursuant to a Board resolution dated June 8, 2018 and the shareholders' resolution approving the dividend declaration will be approved in the next Annual General Meeting.*
^The dividend was approved post the Board approval for the split in the face value of the equity shares and approval for the bonus issuance.

However, our dividend history is not necessarily indicative of our dividend payments, if any, or our dividend policy, in the future. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. See "***Risk Factors – Our ability to pay dividends in the future will depend on our furture earnings, financial conditions, cashflows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***" on page 32.

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

The Board of Directors
Studds Accessories Limited
23/7 Mathura Road
Ballabgarh
Faridabad, 121004

Dear Sirs,

1. We have examined, the attached Restated Standalone Financial Information of Studds Accessories Limited (the "Company"), which comprises of the Restated Standalone Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Standalone Statement of Profit and Loss (including other comprehensive income) and Restated Standalone Statement of changes in equity for each of the years ended March 31, 2018 2017, 2016, 2015 and 2014, Restated Standalone Statement of Cash Flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 respectively, and the Summary of Significant Accounting Policies (collectively, the "Restated Standalone Financial Information") as approved by the Board of Directors of the Company ("the Board") at their meeting held on August 18, 2018 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer ("IPO") prepared in terms of the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act")- as amended;

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (the "ICDR Regulations"); and

    c) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

2. The preparation of the Restated Standalone Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 11 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note.

    Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, the ICDR Regulations and the Guidance Note.

3. We have examined these Restated Standalone Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated April 9, 2018 in connection with the proposed IPO of the Company;

   b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) ('The Guidance Note") issued by the Institute of Chartered Accountants of India.

4. These Restated Standalone Financial Information have been compiled by the management from the:

   a) Audited standalone financial statements of the Company as at and for the year ended March 31, 2018 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2017, prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) which have been approved by the Board at their meeting held on June 08, 2018 and have been audited by us. The audited standalone financial statements of the Company as at and for the year ended March 31, 2017, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, ("Indian GAAP") which have been approved by the Board of directors at their meeting held on August 24, 2017.

   b) Audited Standalone financial statements as at and for the years ended March 31, 2016, 2015 and 2014 were prepared in accordance with Indian GAAP. These proforma standalone Ind AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended March 31, 2016, 2015 and 2014 which have been approved by the Board at their meeting held on August 26, 2016, August 28, 2015 and August 25, 2014, respectively, as described in Note 2 (a) of Annexure V.

   The Restated Financial Information mentioned in 4(b) above, as at and for the years ended March 31, 2016, March 31,2015 and March 31,2014 are referred to as ("the Proforma IND AS Restated Standalone financial Information") as per the Guidance Note.

   Audit of the standalone financial statements for the years ended March 31, 16, 2015 and 2014 was conducted by previous auditors, M/s A.C. Mehta & Co., Chartered Accountants who vide their reports dated August 24, 2017, August 26, 2016, August 28, 2015 and August 25, 2014, respectively, expressed an unmodified opinion on the same. Accordingly, reliance has been placed on the standalone financial information examined by them for the said years. The financial report included for the years ended March 31, 2017, 2016, 2015 and 2014 are based solely on the report submitted by them.

5. The previous auditors of the Company, as mentioned in paragraph 4, have confirmed that the restated standalone financial information for the above mentioned years:

   a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

   b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate and do not contain any qualification requiring adjustments;

   c) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Standalone Financial Information;

   d) do not contain any exceptional item that need to be disclosed separately.

   e) with respect to the proforma Ind AS financial statements as at and for the years ended March 31, 2016, 2015 and 2014, the proforma Ind AS financial statements have been prepared by making appropriate Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended March 31, 2016, 2015 and 2014 as mentioned in Note 2 (a) of Annexure V; and

6. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, ICDR Regulations and the Guidance note, based on our examination, we report that:

   a) The Restated Standalone Statement of Assets and Liabilities of the Company, including as at March 31, 2018 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure- I to this report have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI: Restated Statement of Standalone Adjustments to the Audited Standalone Financial Statements.

   b) The Restated Standalone Statement of Profit and Loss (including other comprehensive income) for the years ended March 31, 2018 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure II to this report have been arrived at after making adjustments and regrouping/ reclassifications as in our opinion were appropriate and more fully described in Annexure VI: Restated Statement of Standalone Adjustments to the Audited Standalone Financial Statements.

   c) The Restated Standalone Statement of Cash Flows of the Company, including for the years ended March 31, 2018 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure IV to this report have been arrived at after making adjustments and regrouping/ reclassifications as in our opinion were appropriate and more fully described in Annexure

VI: Restated Statement of Standalone Adjustments to the Audited Standalone Financial Statements.

d) The Restated Standalone Statement of Changes in Equity of the Company, for the years ended March 31, 2018 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in annexure VI: Restated Statement of Standalone Adjustments to the Audited Standalone Financial Statements.

e) Based on above and according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, we further report that the Restated Standalone Financial Information:

(i) have been made after incorporating adjustments for changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

(ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

(iii) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Standalone Financial Information;

(iv) do not contain any exception item that needs to be disclosed separately;

(v) does not contain any adverse remarks/comments in the Companies (Auditor's Report) Order, 2003 / Companies (Auditor's Report) Order 2015/ Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India (together referred to as 'CARO');

(vi) There are no qualifications in the auditors' report on the audited standalone financial statements of the Company as at and for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 which require any adjustments to the Restated Standalone Financial Information.

7. We have also examined the following restated standalone financial information of the Company set out in the Annexures prepared by the Management and approved by the Board of Directors on August 18, 2018 as at for the years ended March 31, 2018, 2017, 2016, 2015 and 2014. In respect of the years ended March 31, 2017, 2016, 2015 and 2014, our examination was based upon the financial statements audited and reported by M/s A.C. Mehta & Co., Chartered Accountants and relied upon by us:

(i) Note 3 of Annexure V - Restated Standalone Statement of

Property, plant and equipment

(ii) Note 4 to Annexure V – Restated Standalone Statement of Other Intangible assets

(iii) Note 5 to Annexure V – Restated Standalone Statement of Non Current Investments

(iv) Note 6 of Annexure V- Restated Standalone Statement of Inventories

(v) Note 7 of Annexure V – Restated Standalone Statement of Trade Receivables

(vi) Note 8 of Annexure V– Restated Standalone Statement of Cash and Cash Equivalents

(vii) Note 9 of Annexure V– Restated Standalone Statement of Other Bank Balances

(viii) Note 10 of Annexure V – Restated Standalone Statement of Other Financial Assets

(ix) Note 11 of Annexure V – Restated Standalone Statement of Other Current Assets

(x) Note 12 of Annexure V- Restated Standalone Statement of Equity Share Capital

(xi) Note 13 of Annexure V - Restated Standalone Statement of Other Equity

(xii) Note 14 of Annexure V - Restated Standalone Statement of Non-Current Borrowings

(xiii) Note 15, 16 of Annexure V – Restated Standalone Statement of Other Non-Current Financial Liabilities and Non - Current Provisions

(xiv) Note 17 of Annexure V- Deferred Tax Liabilities(Net)

(xv) Note 18 of Annexure V - Restated Standalone Statement of Current Borrowings

(xvi) Note 19 of Annexure V - Restated Standalone Statement of Trade Payables

(xvii) Note 20 of Annexure V - Restated Standalone Statement of Other Current Financial Liabilities

(xviii) Note 21, 22 of Annexure V - Restated Standalone Statement of Other Current Liabilities and Current Provisions

(xix) Note 23 of Annexure V - Restated Standalone Statement of Current Tax Liabilities

(xx) Note 24 of Annexure V - Restated Standalone Statement of Revenue from Operations

(xxi) Note 25 of Annexure V – Restated Standalone Statement of Other Income

(xxii) Note 26 of Annexure V - Restated Standalone Statement of Cost of Material Consumed

(xxiii) Note 27 of Annexure V - Restated Standalone Statement of Increase/Decrease in Inventories of Finished Goods and Work-in - Progress

(xxiv) Note 28 of Annexure V - Restated Standalone Statement of Employee benefits expense

(xxv) Note 29 of Annexure V - Restated Standalone Statement of Finance Costs

(xxvi) Note 30 of Annexure V - Restated Standalone Statement of Depreciation and amortization expense

(xxvii) Note 31 of Annexure V - Restated Standalone Statement of Other Expenses (xxviii) Note 32 of Annexure V - Restated Standalone Statement of Earning per Share

(xxix) Note 33 of Annexure V - Restated Standalone Statement of Dues to Micro and Small Enterprises

(xxx) Note 34 of Annexure V - Restated Standalone Statement of Segment Information.

(xxxi) Note 35 of Annexure V - Restated Standalone Statement of Disclosure relating to Corporate Social responsibility Expense.

(xxxii) Note 36 of Annexure V - Restated Standalone Statement of Related Party Transactions

(xxxiii) Note 37 of Annexure V - Restated Standalone Statement of Commitments and Contingencies

(xxxiv) Note 38 of Annexure V - Restated Standalone Statement of Employee Benefits

(xxxv) Note 39 of Annexure V - Restated Standalone Statement of Fair Values

(xxxvi) Note 40 of Annexure V - Restated Standalone Statement of Financial Risk Management

(xxxvii) Note 41 of Annexure V - Restated Standalone Statement of Capital Management

(xxxviii) Note 42 of Annexure V - Restated Standalone Statement of Significant accounting judgments, estimates and assumptions

(xxxix) Note 43 of Annexure V - Restated Standalone Statement of Dividend made and proposed.

(xl) Note 44 of Annexure V - Restated Standalone Statement of Specified bank Notes.

(xli) Annexure VI - Restatement adjustments to Audited Standalone Financial Statements

(xlii) Annexure VII - Restated Standalone Statement of Accounting Ratios

(xliii) Annexure VIII - Restated Standalone Statement of Capitalization Statement

(xliv) Annexure IX - Restated Standalone Statement of Tax Shelter

<u>Opinion</u>

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, in our opinion, the Restated Standalone Financial Information and the above restated financial information contained in Annexure I to Annexure IX accompanying this report read with Summary of Significant Accounting Policies as disclosed in Annexure V are prepared after making adjustments and regroupings/ reclassifications as considered appropriate (Refer Annexure- VI) and have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. Our report is intended solely for use of the Management for inclusion in the offer document to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, National Capital territory of Delhi and Haryana in connection with the proposed IPO of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

FOR RAJAN CHHABRA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No: 009520N

CA RAJAN CHHABRA
PARTNER
Membership No: 088276
Date: August 18, 2018
Place: Faridabad

STUDDS ACCESSORIES LIMITED
CIN: U25208HR1983PLC015135
Annexure- I Restated Standalone Statement of Assets and Liabilities

(Rs. in million)

Particulars	Note No.	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
ASSETS						
Non-Current Assets						
Property Plant & Equipment	3	**1,246.82**	803.44	744.64	618.25	548.32
Capital Work in Progress		**61.49**	6.53	0.06	-	8.81
Intangible Assets	4	**4.42**	4.41	4.22	3.86	3.27
Financial Assets						
- Non-Current Investments	5	**0.03**	3.25	3.24	3.26	3.26
Total Non-Current Assets		**1,312.76**	**817.63**	**752.16**	**625.37**	**563.66**
Current Assets						
Inventories	6	**126.71**	109.90	78.25	53.30	45.95
Financial Assets						
- Trade Receivables	7	**121.85**	39.68	84.36	45.32	43.11
- Cash & Cash Equivalents	8	**171.44**	100.84	82.20	163.52	71.50
- Other Bank Balances	9	**468.60**	316.34	205.94	2.41	2.25
- Other Financial Assets	10	**8.22**	8.26	8.06	3.90	4.27
Other Current Assets	11	**18.74**	24.35	23.31	14.74	22.65
Total Current Assets		**915.57**	**599.36**	**482.12**	**283.19**	**189.73**
Total Assets		**2,228.33**	**1,416.99**	**1,234.28**	**908.56**	**753.39**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	12	**10.93**	10.93	10.93	10.93	10.93
Other Equity	13	**1,175.95**	859.32	624.42	397.39	302.26
Total Equity		**1,186.88**	**870.25**	**635.35**	**408.32**	**313.19**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
- Non-Current Borrowings	14	**3.51**	24.75	24.30	45.70	58.08
- Other Non-Current Financial Liabilities	15	**262.23**	14.37	13.00	10.67	9.53
Non-Current Provisions	16	**11.10**	9.84	8.28	5.99	4.35
Deferred Tax Liability (Net)	17	**96.22**	82.79	65.25	48.91	39.51
Total Non-Current Liabilities		**373.06**	**131.75**	**110.83**	**111.27**	**111.47**
Current Liabilities						
Financial Liabilities						
- Current Borrowings	18	**-**	-	-	14.46	12.05
- Trade Payables	19	**344.21**	254.18	281.21	236.46	212.60
- Other Current Financial Liabilities	20	**221.43**	114.65	103.80	95.15	75.88
Other Current Liabilities	21	**47.60**	27.35	30.38	16.69	15.66
Current Provisions	22	**7.08**	7.05	5.97	5.01	4.69
Current Tax Liabilities (Net)	23	**48.06**	11.76	66.74	21.20	7.84
Total Current Liabilities		**668.39**	**414.99**	**488.10**	**388.97**	**328.72**
Total Liabilities		**1,041.44**	**546.74**	**598.93**	**500.24**	**440.19**
Total Equity and Liabilities		**2,228.33**	**1,416.99**	**1,234.28**	**908.56**	**753.39**

Significant Accounting Policies — Note 2 of Annexure V

The above statement should be read together with significant accounting policies in Annexure V, restatement adjustments to audited standalone financial statements in Annexure VI and notes to the restated 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
Director
DIN:00172770

Sidhartha Bhushan Khurana
Director
DIN: 00172788

S.D.CHOUDHRY
Director
DIN: 07094705

Place: Faridabad
Date: 18th August, 2018

Manish Mehta
Chief Financial Officer

Kanika Bhutani
Company Secretary

Place: Faridabad
Date: 18th August, 2018

STUDDS ACCESSORIES LIMITED
CIN: U25208HR1983PLC015135
Annexure-II Restated Standalone Statement of Profit and Loss

(Rs. in million)

Particulars	Note No.	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017	For the year ended 31-Mar-2016 Proforma	For the year ended 31-Mar-2015 Proforma	For the year ended 31-Mar-2014 Proforma
Income						
Revenue from Operations	24	**3,364.44**	3,091.25	2,919.34	2,058.17	1,734.24
Other Income	25	**53.45**	20.08	10.92	1.27	1.15
Total Revenue		**3,417.89**	**3,111.33**	**2,930.26**	**2,059.44**	**1,735.39**
Expenses						
Cost of Material Consumed	26	**1,528.56**	1,258.11	1,196.23	937.21	811.63
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	27	**6.38**	(19.63)	(6.74)	(0.15)	(1.99)
Excise Duty on sale of goods		**87.18**	368.54	351.32	249.38	211.75
Employee Benefit Expense	28	**318.82**	271.17	219.54	160.17	137.86
Finance Cost	29	**3.47**	3.61	5.18	9.73	11.57
Depreciation and Amortisation Expense	30	**57.39**	52.23	38.29	33.36	25.58
Other Expenses	31	**901.29**	810.54	740.15	509.40	425.78
Total		**2,903.09**	**2,744.59**	**2,543.97**	**1,899.09**	**1,622.18**
Profit before Tax		**514.80**	**366.75**	**386.28**	**160.35**	**113.21**
Tax Expense:						
Current Tax		**172.12**	113.07	123.50	47.31	27.17
Deferred Tax		**13.43**	17.54	16.34	9.41	10.48
Tax relating to earlier periods		**0.44**	0.13	0.85	0.12	0.56
Total Tax Expense		**185.99**	**130.73**	**140.69**	**56.84**	**38.20**
Profit for the year		**328.81**	**236.01**	**245.59**	**103.51**	**75.01**
Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plans		**(0.52)**	0.31	(0.22)	(0.06)	0.69
Income tax effect		**0.18**	(0.11)	0.08	0.02	(0.23)
Total other comprehensive income		**(0.34)**	**0.20**	**(0.14)**	**(0.04)**	**0.47**
Total Comprehensive Income for the year		**328.47**	**236.21**	**245.45**	**103.47**	**75.48**
Earnings per share (face value Rs. 5/-)	32					
- Basic EPS (in Rs.)		**16.71**	11.99	12.48	5.26	3.81
- Diluted EPS (in Rs.)		**16.71**	11.99	12.48	5.26	3.81

Significant Accounting Policies — Note 2 of Annexure V

The above statement should be read together with significant accounting policies in Annexure V, restatement adjustments to audited standalone financial statements in Annexure VI and notes to the restated 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
Director
DIN:00172770

Sidhartha Bhushan Khurana
Director
DIN: 00172788

S.D.CHOUDHRY
Director
DIN: 07094705

Place: Faridabad
Date: 18th August, 2018

Manish Mehta
Chief Financial Officer

Kanika Bhutani
Company Secretary

Place: Faridabad
Date: 18th August, 2018

STUDDS ACCESSORIES LIMITED
CIN: U25208HR1983PLC015135
Annexure-III Restated Standalone Statement of Changes in Equity

(i) Equity Share Capital (Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Equity share of Rs.10/- each					
Balance at the beginning of the year	**10.93**	10.93	10.93	10.93	10.93
Movement during the year	-	-	-	-	-
Balance at the end of the year	**10.93**	**10.93**	**10.93**	**10.93**	**10.93**

(ii) Other Equity (Rs. in million)

Particulars	Reserves and surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at April 01, 2013 (Proforma)	6.83	46.57	178.98	232.37
Profit for the year	-	-	75.01	75.01
Other Comprehensive Income (net of tax)	-	-	0.47	0.47
Transfer to General Reserve	-	8.00	(8.00)	-
Dividend & Dividend Distribution Tax	-	-	(5.59)	(5.59)
	-			
As at March 31, 2014 (Proforma)	**6.83**	**54.57**	**240.87**	**302.26**
As at April 01, 2014 (Proforma)	6.83	54.57	240.87	302.26
Profit for the year	-	-	103.51	103.51
Other Comprehensive Income (net of tax)	-	-	(0.04)	(0.04)
Transfer to General Reserve	-	11.00	(11.00)	-
Adjustment for Assets NIL remaining life as on 01.04.2014	-	(2.20)	-	(2.20)
Dividend & Dividend Distribution Tax	-	-	(6.14)	(6.14)
	-			
As at March 31, 2015 (Proforma)	**6.83**	**63.37**	**327.20**	**397.39**
As at April 01, 2015 (Proforma)	6.83	63.37	327.20	397.39
Profit for the year	-	-	245.59	245.59
Other Comprehensive Income (net of tax)	-	-	(0.14)	(0.14)
Transfer to General Reserve	-	30.00	(30.00)	-
Dividend & Dividend Distribution Tax	-	-	(9.21)	(9.21)
Dividend & Dividend Distribution Tax (Interim Dividend)			(9.21)	(9.21)
	-			
As at March 31, 2016 (Proforma)	**6.83**	**93.37**	**524.23**	**624.42**

STUDDS ACCESSORIES LIMITED
CIN: U25208HR1983PLC015135
Annexure-III Restated Standalone Statement of Changes in Equity

(ii) Other Equity (cont.) **(Rs. in million)**

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

The above statement should be read together with significant accounting policies in Annexure V, restatement adjustments to audited standalone financial statements in Annexure VI and notes to the restated 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
Director
DIN:00172770

Sidhartha Bhushan Khurana
Director
DIN: 00172788

S.D.CHOUDHRY
Director
DIN: 07094705

Place: Faridabad
Date: 18th August, 2018

Manish Mehta
Chief Financial Officer

Kanika Bhutani
Company Secretary

Place: Faridabad
Date: 18th August, 2018

STUDDS ACCESSORIES LIMITED
CIN: U25208HR1983PLC015135
Annexure-IV Restated Standalone Statement of Cash Flows

(Rs. in million)

Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017	For the year ended 31-Mar-2016 Proforma	For the year ended 31-Mar-2015 Proforma	For the year ended 31-Mar-2014 Proforma
A Cash Flow from Operating Activities					
Profit before Tax	**514.80**	**366.75**	**386.28**	**160.35**	**113.21**
Adjustments for:					
Depreciation and Amortisation Expense	**57.39**	52.23	38.29	33.36	25.58
(Gain)/Loss in change in fair value of financial instruments	**0.04**	(0.01)	0.02	0.00	0.02
Finance Cost	**3.47**	3.61	5.18	9.73	11.57
Rent Income	**(0.26)**	(0.24)	(0.24)	(0.24)	(0.02)
Interest Income	**(28.15)**	(18.06)	(8.84)	(0.22)	(0.35)
Profit on Sale of Investments	**(23.30)**	-	-	-	-
Loss on sale of Property, Plant and Equipment	**0.15**	1.73	0.09	0.47	0.48
Other Income	**(1.74)**	(1.77)	(1.84)	(0.81)	(0.78)
Operating Profit before working Capital changes	**522.39**	**404.28**	**418.93**	**202.62**	**149.72**
Working capital adjustments:					
Movement in trade & other payables	**138.29**	(16.80)	84.05	52.48	44.35
Movement in trade & other receivables	**(76.51)**	43.43	(51.77)	6.07	17.04
Movement in inventories	**(16.81)**	(31.65)	(24.94)	(7.35)	(5.56)
Cash Generated from Operations	**567.36**	**399.26**	**426.27**	**253.82**	**205.54**
Direct Taxes Paid and Taxes earlier years	**(136.08)**	(168.16)	(77.88)	(33.93)	(19.55)
Net Cash Flow from Operating Activities (A)	**431.28**	**231.10**	**348.39**	**219.89**	**185.99**
B Cash Flow from Investing Activities					
Purchases of Property, Plant and Equipment (PPE)	**(228.92)**	(120.73)	(167.12)	(99.28)	(120.67)
Sale proceeds from sale of PPE	**0.14**	1.29	1.94	1.53	0.35
Sale proceeds from sale of Investments	**26.49**	-	-	-	-
(Investment) In Fixed Deposits/Maturity	**(152.27)**	(110.40)	(203.53)	(0.15)	5.71
Rent Received	**0.26**	0.24	0.24	0.24	0.02
Interest Received	**28.15**	18.06	8.84	0.22	0.35
Other Income Received	**1.74**	1.77	1.84	0.81	0.78
Net Cash Flow from Investing Activities (B)	**(324.41)**	**(209.76)**	**(357.80)**	**(96.62)**	**(113.45)**
C Cash Flow from Financing Activities					
Proceeds/(Repayment) from Non-Current Borrowings (Net)	**(21.10)**	2.18	(33.96)	(17.76)	(0.94)
Proceeds/(Repayment) from Current Borrowings (Net)	**-**	-	(14.46)	2.41	(12.65)
Dividend Including Dividend Distribution Tax	**(11.69)**	(1.27)	(18.31)	(6.17)	(5.64)
Interest Paid	**(3.47)**	(3.61)	(5.18)	(9.73)	(11.57)
Net Cash Flow from Financing Activities (C)	**(36.26)**	**(2.70)**	**(71.91)**	**(31.24)**	**(30.80)**
Net increase in Cash and Cash Equivalents (A+B+C)	**70.60**	**18.64**	**(81.32)**	**92.02**	**41.74**
Cash and Cash Equivalent at the beginning of the year	**100.84**	82.20	163.52	71.50	29.75
Cash and Cash Equivalent at the end of the year	**171.44**	**100.84**	**82.20**	**163.52**	**71.50**

Amendments to Ind AS 7

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

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

The above statement should be read together with significant accounting policies in Annexure V, restatement adjustments to audited standalone financial statements in Annexure VI and notes to the restated 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 ofCash Flow"
(ii) During the year the Company spent Rs. 6.20 million on CSR Expenses in accordance with the provision of the Companies Act, 2013
(iii) Cash and Cash Equivalents includes Bank Balances and Cash in hand as per Note No. 8
(iv) Figures in bracket represents cash outflow

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Director
DIN:00172770

Sidhartha Bhushan Khurana
Director
DIN: 00172788

S.D.CHOUDHRY
Director
DIN: 07094705

Place: Faridabad
Date: 18th August, 2018

Manish Mehta
Chief Financial Officer

Kanika Bhutani
Company Secretary

Place: Faridabad
Date: 18th August, 2018

1. Corporate Information

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

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

2. Significant Accounting Policies

(a) Statement of Compliance

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

The Company has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated standalone financial information for the years ended March 31, 2016, 2015 and 2014 has been prepared on Proforma basis (i.e. "Proforma Standalone Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS standalone financial information for the years ended March 31, 2016, 2015 and 2014, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2016. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Standalone financial information as of and for the years ended March 31, 2016, 2015 and 2014following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 01, 2016).

The Restated Financial Information (including Restated Standalone Ind AS financial information for the years ended March 31, 2018 and March 31, 2017 and Restated Standalone Proforma Ind AS financial information for the year ended March 31, 2016, 2015 and 2014) have been compiled by the Company from the Audited Standalone Financial Statements of the Company for the year ended March 31, 2018, March 31, 2017 prepared under Ind AS and for the years ended March 31, 2016, 2015 and 2014 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').

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

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Restated Shareholders' equity as at March 31, 2017, 2016, 2015 and 2014 and of the Restated Statement of Profit and loss and other comprehensive Income for the year ended March 31, 2017, 2016, 2015 and 2014. Reconciliation of the same is disclosed in Annexure-VI.

The Restated Standalone Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an Initial Public offer, to be filed by the Company with SEBI, in accordance with the requirements of:

(i) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
(ii) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").
(iii) Guidance note on reports in company prospectuses.

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

(b) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current.

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

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

(c) Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these restated standalone financial information and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

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

(d) Revenue Recognition

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

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

Sale of Goods

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

Income from Services

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

Dividends and Interest Income

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

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

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

(e) Foreign Currency

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

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

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

(f) Property, Plant and Equipment

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

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

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

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

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

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

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

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

(g) Intangible Assets

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

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

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

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

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

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

(h) Borrowing Costs

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

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

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

(i) Inventories

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

Raw Materials are recorded at cost on a weighted averagecost 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 attributableproportion 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. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Post-Employment Obligations

Defined Benefit Plans

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

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

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

Defined Contribution Plans

The Company has defined contribution plans for post retirements benefits, namely, Employee Provident Fund Scheme administered through Provident Fund Commissioner. The Company’s contribution is charged to revenue every year. The Company has no further payment obligations once the contributions have been paid.

The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to the Statement of Profit and Loss every year.

(l) Cash and Cash Equivalents

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

(m) Taxes

Taxes comprise current income tax and deferred tax.

Current Income Tax

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

Deferred Tax

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

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

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

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

Current and deferred tax for the year

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

(n) Leases

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

For leases of both land and building elements, the Company has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 01, 2016) to Ind AS on the basis of the facts and circumstances existing as at that date. For the purpose of Proforma Standalone Ind AS financial information for the year ended March 31, 2016, 2015 and 2014, the Company has continued with the existing assessment on the date of transition (i.e. April 01, 2016).

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

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

Operating lease receipts are recognised as income in the statement of profit and loss on a straight-line basis over the lease term unless either:
(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the receipt from the lessee are not on that basis, or
(b) The receipts from the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If receipts from the lessee vary because of factors other than general inflation, then this condition is not met.

(o) Impairment of Non-Financial Assets

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

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

(p) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

(q) Financial Instruments

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

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

<u>Financial Assets</u>

Initial recognition and measurement

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

Subsequent measurement

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

Classification of Financial Assets

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

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

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

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

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

- Business model test: the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.

- Cash flow characteristic test: the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:
- Business model test: the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- Cash flow characteristic test: the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Equity investment in Subsidiaries
Investments representing equity interest in subsidiaries are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

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

(r) Dividends

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

Note No: 3 Property Plant & Equipment

(Rs. in million)

Description	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Office Appliances	Computers	Vehicles	Total
Cost or Valuation								
As at 01 April 2013 (Proforma)	**91.66**	**148.70**	**286.98**	**2.75**	**4.76**	**4.64**	**14.58**	**554.06**
Additions	19.31	28.06	55.46	0.71	1.77	1.02	3.61	109.94
Disposals/write off	-	-	0.45	-	0.01	-	1.08	1.54
As at 31 March 2014 (Proforma)	**110.97**	**176.76**	**341.99**	**3.46**	**6.53**	**5.66**	**17.10**	**662.46**
Additions*	6.56	7.51	81.93	6.48	0.27	0.51	3.55	106.80
Disposals/write off	-	-	0.38	-	-	-	3.86	4.23
As at 31 March 2015 (Proforma)	**117.53**	**184.27**	**423.54**	**9.94**	**6.79**	**6.16**	**16.80**	**765.03**
Additions	-	-	155.97	-	0.46	0.55	8.71	165.70
Disposals/write off	1.82	0.10	0.13	-	-	-	-	2.06
As at 31 March 2016 (Proforma)	**115.70**	**184.16**	**579.38**	**9.94**	**7.25**	**6.72**	**25.51**	**928.67**
Accumulated Depreciation								
As at 01 April 2013 (Proforma)	**-**	**5.28**	**75.25**	**0.59**	**0.71**	**3.03**	**4.76**	**89.63**
Charge for the year	-	2.60	20.17	0.21	0.28	0.49	1.48	25.23
Disposals/write off	-	-	0.10	-	0.00	-	0.61	0.71
As at 31 March 2014 (Proforma)	**-**	**7.88**	**95.32**	**0.81**	**0.99**	**3.52**	**5.63**	**114.15**
Charge for the year	-	6.04	22.04	0.70	1.59	0.70	1.59	32.66
Disposals/write off	-	-	0.06	-	-	-	2.17	2.23
Adjustment during year**	-	-	2.04	0.02	0.15	-	-	2.20
As at 31 March 2015 (Proforma)	**-**	**13.92**	**119.33**	**1.53**	**2.73**	**4.22**	**5.06**	**146.78**
Charge for the year	-	2.41	28.70	0.96	1.40	0.78	3.04	37.29
Disposals/write off	-	-	0.04	-	-	-	-	0.04
As at 31 March 2016 (Proforma)	**-**	**16.33**	**148.00**	**2.50**	**4.12**	**5.00**	**8.09**	**184.04**
Net Book Value								
As at 31 March 2016 (Proforma)	115.70	167.84	431.38	7.44	3.13	1.72	17.42	744.64
As at 31 March 2015 (Proforma)	117.53	170.35	304.21	8.41	4.07	1.95	11.74	618.25
As at 31 March 2014 (Proforma)	110.97	168.88	246.67	2.65	5.54	2.14	11.47	548.32
Deemed Cost								
As at 01 April 2016	**115.70**	**167.84**	**431.38**	**7.44**	**3.13**	**1.72**	**17.42**	**744.64**
Additions	-	-	97.69	4.62	0.91	0.49	9.22	112.93
Disposals/write off	-	-	0.10	-	0.02	-	3.20	3.33
As at 31 March 2017	**115.70**	**167.84**	**528.97**	**12.07**	**4.01**	**2.21**	**23.44**	**854.24**
Additions	436.20	-	60.72	1.56	0.59	0.69	-	499.76
Disposals/write off	-	-	-	-	0.07	-	0.44	0.51
As at 31 March 2018	**551.91**	**167.84**	**589.69**	**13.63**	**4.53**	**2.90**	**23.00**	**1,353.49**
Accumulated Depreciation								
As at 01 April 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	6.31	38.41	1.21	1.45	0.63	3.10	51.10
Disposals/write off	-	-	0.00	-	0.00	-	0.30	0.30
As at 31 March 2017	**-**	**6.31**	**38.40**	**1.21**	**1.44**	**0.63**	**2.80**	**50.80**
Charge for the year	-	6.17	43.19	1.46	1.31	0.65	3.30	56.09
Disposals/write off	-	-	-	-	0.02	-	0.20	0.22
As at 31 March 2018	**-**	**12.48**	**81.60**	**2.67**	**2.73**	**1.28**	**5.91**	**106.67**
Net Book Value								
As at 31 March 2018	**551.91**	**155.36**	**508.09**	**10.96**	**1.80**	**1.62**	**17.09**	**1,246.82**
As at 31 March 2017	115.70	161.53	490.57	10.86	2.57	1.58	20.63	803.44

* Includes EDC Charges of Rs. 2.76 million have been capitalised in Land during the year 2014-15

** Adjustment for Assets NIL remaining life as on 01.04.2014

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

Note No: 4 Other Intangible Assets

(Rs. in million)

Description	Computer Software	Trademark	Total
Cost or Valuation			
As at 01 April 2013 (Proforma)	**2.67**	**0.10**	**2.77**
Additions	2.34	-	2.34
Disposals/write off	-	-	-
As at 31 March 2014 (Proforma)	**5.00**	**0.10**	**5.10**
Additions	1.29	-	1.29
Disposals/write off	-	-	-
As at 31 March 2015 (Proforma)	**6.29**	**0.10**	**6.39**
Additions	1.36	-	1.36
Disposals/write off	-	-	-
As at 31 March 2016 (Proforma)	**7.65**	**0.10**	**7.75**
Accumulated Depreciation			
As at 01 April 2013 (Proforma)	**1.42**	**0.06**	**1.48**
Charge for the year	0.35	0.00	0.36
Disposals/write off	-	-	-
As at 31 March 2014 (Proforma)	**1.77**	**0.06**	**1.83**
Charge for the year	0.69	0.00	0.70
Disposals/write off	-	-	-
As at 31 March 2015 (Proforma)	**2.46**	**0.07**	**2.53**
Charge for the year	1.00	0.00	1.00
Disposals/write off	-	-	-
As at 31 March 2016 (Proforma)	**3.46**	**0.07**	**3.53**
Net Book Value			
As at 31 March 2016 (Proforma)	4.19	0.03	4.22
As at 31 March 2015 (Proforma)	3.83	0.03	3.86
As at 31 March 2014 (Proforma)	3.23	0.04	3.27

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

STUDDS ACCESSORIES LIMITED
Annexure-V Notes to Restated Standalone Financial Information

Note No: 5 Non Current Investments

(Rs. in million)

Particulars	Face Value	As at 31-Mar-18 No. of Shares	As at 31-Mar-18 Amount	As at 31-Mar-17 No. of Shares	As at 31-Mar-17 Amount	As at 31-Mar-16 Proforma No. of Shares	As at 31-Mar-16 Proforma Amount	As at 31-Mar-15 Proforma No. of Shares	As at 31-Mar-15 Proforma Amount	As at 31-Mar-14 Proforma No. of Shares	As at 31-Mar-14 Proforma Amount
Investment in Equity Shares											
A. In Subsidiaries (Unquoted) - At cost*											
- M.G. Steel Limited	10/-	-	-	77,900	3.19	77,900	3.19	77,900	3.19	77,900	3.19
Total (A)		**-**	**-**	**77,900**	**3.19**	**77,900**	**3.19**	**77,900**	**3.19**	**77,900**	**3.19**
B. In Others - At FVTPL											
- Bank of Maharashtra	10/-	**1,900**	**0.03**	1,900	0.06	1,900	0.06	1,900	0.07	1,900	0.08
Total (B)		**1,900**	**0.03**	**1,900**	**0.06**	**1,900**	**0.06**	**1,900**	**0.07**	**1,900**	**0.08**
Total Investments		**1,900**	**0.03**	**79,800**	**3.25**	**79,800**	**3.24**	**79,800**	**3.26**	**79,800**	**3.26**
Aggregate Value of Unquoted Investments			-		3.19		3.19		3.19		3.19
Aggregate Value of Quoted Investments			**0.03**		0.06		0.06		0.07		0.08
Aggregate Market Value of Quoted Investments			0.03		0.06		0.06		0.07		0.08
Aggregate Amount of Impairment in Value of Investments			**-**		-		-		-		-

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

Note No: 6 Inventories

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Raw Materials	**95.03**	71.84	59.81	41.61	34.41
Finished Goods	**28.47**	35.03	15.92	9.69	9.54
Work in Progress	**3.21**	3.03	2.51	2.00	2.00
Total	**126.71**	**109.90**	**78.25**	**53.30**	**45.95**

Certain borrowings of the Company have been secured against Inventories (Refer Note No. 14 & 18)
Valued at lower of cost and net realisable value - for further details refer Note 2 (i) of Accounting Policies(Annexure V)

Note No: 7 Trade Receivables

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Carried at Amortised Cost					
From Others*					
- Secured, considered good	**0.09**	0.03	0.04	0.05	0.09
- Unsecured, considered good	**121.77**	39.65	84.31	45.27	43.03
Total	**121.85**	**39.68**	**84.36**	**45.32**	**43.11**

* No amount is due from Related parties
Certain borrowings of the Company have been secured against Trade Receivables (Refer Note No. 14 & 18)
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Refer Note No 40 for ageing of Trade Receivables

Note No: 8 Cash and Cash Equivalents

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Cash in hand	**0.01**	0.06	0.14	0.12	0.04
Balances with Bank					
- in current accounts	**171.43**	100.78	82.06	163.39	71.45
Total	**171.44**	**100.84**	**82.20**	**163.52**	**71.50**

Note No: 9 Other Bank Balances

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Balances with Bank					
-in Deposit having maturity for more than 3 months but less than 12 months	**468.10**	315.97	205.63	2.21	2.04
,-in Unpaid Dividend account	**0.51**	0.36	0.31	0.20	0.22
Total	**468.60**	**316.34**	**205.94**	**2.41**	**2.25**

Note No: 10 Other Financial Assets

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Carried at Amortised Cost					
Unsecured, considered good					
Advances to employees	**1.04**	1.45	0.61	0.41	0.33
Security deposits	**7.18**	6.81	7.35	3.38	3.37
Insurance claim receivable	**-**	-	0.11	0.11	0.56
Total	**8.22**	**8.26**	**8.06**	**3.90**	**4.27**

Note No: 11 Other Current Assets

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Unsecured, considered good					
Advance to Vendors	**12.37**	6.94	4.97	5.10	12.24
EDC Charges paid under protest*	**-**	-	-	-	2.76
Duty Drawback receivable	**0.33**	0.18	0.15	0.37	0.25
Prepaid Expenses	**2.81**	3.51	1.60	0.65	0.66
Balance of Cenvat/GST	**3.22**	13.73	16.60	8.62	6.74
Other assets	**-**	-	-	0.01	0.00
Total	**18.74**	**24.35**	**23.31**	**14.74**	**22.65**

*EDC Charges have been capitalised in Land during the year 2014-15

Note No: 12 Equity Share Capital

(Rs. in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 31-Mar-16		As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital										
Equity shares of Rs. 10/- each	**25,000,000**	**250.00**	5,000,000	50.00	5,000,000	50.00	5,000,000	50.00	5,000,000	50.00
Issued Capital										
Equity share of Rs. 10/- each	**1,200,000**	**12.00**	1,200,000	12.00	1,200,000	12.00	1,200,000	12.00	1,200,000	12.00
Subscribed and Fully Paid up*										
Equity share of Rs. 10/- each	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**

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

A. Reconciliation of Number of Equity Shares Outstanding

(Rs. in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 31-Mar-16		As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**1,093,150**	**10.93**	1,093,150	10.93	1,093,150	10.93	1,093,150	10.93	1,093,150	10.93
Add: Issued during the year	**-**	**-**	-	-	-	-	-	-	-	-
Less: Cancelled during the year	**-**	**-**	-	-	-	-	-	-	-	-
Balance at the End of the Year	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**

B. Rights, Preferences and Restrictions attached to

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

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

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 31-Mar-16		As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of Rs 10/- each fully paid										
Madhu Bhushan Khurana	**604,660**	**55.31%**	599,340	54.83%	617,040	56.45%	616,540	56.40%	616,540	56.40%
Sidhartha Bhushan Khurana	**156,360**	**14.30%**	142,360	13.02%	118,660	10.85%	115,160	10.53%	115,160	10.53%
Chand Khurana	**91,600**	**8.38%**	90,200	8.25%	94,200	8.62%	93,200	8.53%	92,200	8.43%

STUDDS ACCESSORIES LIMITED
Annexure-V Notes to Restated Standalone Financial Information

Note No: 13 Other Equity

(Rs. in million)

Particulars	Reserves and surplus			Total
	Securities Premium	General Reserves	Retained Earnings	
As at April 01, 2013 (Proforma)	6.83	46.57	178.98	232.37
Profit for the year	-	-	75.01	75.01
Other Comprehensive Income (net of tax)	-	-	0.47	0.47
Transfer to General Reserve	-	8.00	(8.00)	-
Dividend & Dividend Distribution Tax	-	-	(5.59)	(5.59)
As at March 31, 2014 (Proforma)	**6.83**	**54.57**	**240.87**	**302.26**
As at April 01, 2014 (Proforma)	6.83	54.57	240.87	302.26
Profit for the year	-	-	103.51	103.51
Other Comprehensive Income (net of tax)	-	-	(0.04)	(0.04)
Transfer to General Reserve	-	11.00	(11.00)	-
Adjustment for Assets NIL remaining life as on 01.04.2014	-	(2.20)	-	(2.20)
Dividend & Dividend Distribution Tax	-	-	(6.14)	(6.14)
As at March 31, 2015 (Proforma)	**6.83**	**63.37**	**327.20**	**397.39**
As at April 01, 2015 (Proforma)	6.83	63.37	327.20	397.39
Profit for the year	-	-	245.59	245.59
Other Comprehensive Income (net of tax)	-	-	(0.14)	(0.14)
Transfer to General Reserve	-	30.00	(30.00)	-
Dividend & Dividend Distribution Tax	-	-	(9.21)	(9.21)
Dividend & Dividend Distribution Tax (Interim Dividend)	-	-	(9.21)	(9.21)
As at March 31, 2016 (Proforma)	**6.83**	**93.37**	**524.23**	**624.42**
As at April 01, 2016	6.83	93.37	524.23	624.42
Profit for the year	-	-	236.01	236.01
Other Comprehensive Income (net of tax)	-	-	0.20	0.20
Transfer to General Reserve	-	30.00	(30.00)	-
Dividend & Dividend Distribution Tax	-	-	(1.32)	(1.32)
As at March 31, 2017	**6.83**	**123.37**	**729.13**	**859.32**
As at April 01, 2017	6.83	123.37	729.13	859.32
Profit for the year	-	-	328.81	328.81
Other Comprehensive Income (net of tax)	-	-	(0.34)	(0.34)
Transfer to General Reserve	-	40.00	(40.00)	-
Dividend & Dividend Distribution Tax	-	-	(11.84)	(11.84)
As at March 31, 2018	**6.83**	**163.37**	**1,005.76**	**1,175.95**

Note No: 14 Non-Current Borrowings

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
At Amortised Cost					
Term Loans from Banks (Secured)					
Vehicle Loan	**7.65**	11.73	9.55	4.54	4.00
Other Term Loan	**-**	-	-	38.18	56.47
Loans from Related Parties (Unsecured)					
From Directors	-	17.02	17.02	17.82	17.82
Total	**7.65**	**28.75**	**26.57**	**60.53**	**78.29**
Less: Current Maturities on Non Current Borrowings					
- Outstanding From Banks	**4.14**	4.00	2.27	14.83	20.21
Total	**4.14**	**4.00**	**2.27**	**14.83**	**20.21**
Total Non-Current Borrowings	**3.51**	**24.75**	**24.30**	**45.70**	**58.08**

Security, Interest & Repayment Details:

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Term Loan from Banks					
Bank of Maharashtra- Loan for Rs. 42 million					
Balance Outstanding					
Current Maturity	**-**	-	-	-	3.76
Non - Current Maturity	**-**	-	-	-	-

Security Terms:
Secured against Fixed Assets and personal guarantee of three Directors - Madhu Bhushan Khurana, Sidhartha Khurana and Chand Khurana

Interest Rates:
Base Rate Linked Rate

Repayment Terms:
22 Quarterly Installments of Rs. 1.91 million commenced June, 2008. Revised as per Banks letter No. 54 dated 23rd March 2009 to 19 equal quarterly installments of Rs. 1.91 million each commenced March 2010.

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Bank of Maharashtra- Loan for Rs. 15 million					
Balance Outstanding					
Current Maturity	**-**	-	-	1.73	2.50
Non - Current Maturity	**-**	-	-	-	1.72

Security Terms:
Secured against Fixed Assets and personal guarantee of three Directors - Madhu Bhushan Khurana, Sidhartha Khurana and Chand Khurana

Interest Rates:
Base Rate Linked Rate

Repayment Terms:
24 Quarterly Installments of Rs. 0.625 million commenced June, 2009. Revised as per Banks letter No. 54 dated 23rd March 2009 to equal quarterly installments of Rs. 0.625 million each commenced March 2010.

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Bank of Maharashtra- Loan for Rs. 60.75 million					
Balance Outstanding					
Current Maturity	-	-	-	12.14	12.14
Non-Current Maturity	-	-	-	24.31	36.35

Security Terms:
Secured against Fixed Assets and personal guarantee of three Directors - Madhu Bhushan Khurana, Sidhartha Khurana and Chand Khurana

Interest Rates:
Base Rate Linked Rate

Repayment Terms:
Total Loan sanctioned vide Banks Letter No. AX25 dated 28th November 2011 for Rs. 60.75 million with 20 equal quarterly instilments commencing June 2013.

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Vehicle Loan from Banks					
Balance outstanding					
Current Maturity	**4.14**	4.00	2.27	0.97	1.81
Non-current Maturity	**3.51**	7.73	7.29	3.57	2.19

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

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Term Loan from Banks					
Balance Outstanding					
Current Maturity	-	-	-	13.87	18.40
Non-current Maturity	-	-	-	24.31	38.07
Total	**-**	**-**	**-**	**38.18**	**56.47**
Vehicle Loan					
Balance Outstanding					
Current Maturity	**4.14**	4.00	2.27	0.97	1.81
Non-current Maturity	**3.51**	7.73	7.29	3.57	2.19
Total	**7.65**	**11.73**	**9.55**	**4.54**	**4.00**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Loan from Related Parties					
Balance Outstanding					
Current Maturity	-	-	-	-	-
Non-Current Maturity	-	17.02	17.02	17.82	17.82

Interest Rate:
At current market rate of Interest

Repayment Terms:
There is no repayment schedule specified, keeping in view the past history and current business scenario, As at each balance sheet date i.e. 31/03/2017, 2016, 2015 and 2014 the Company expected that loan is not going to be repaid within next 12 months. Hence classified as Non-Current.

Aggregating amount of loan guaranteed by directors: **(Rs. in million)**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14
Term Loans	-	-	-	38.18	56.47

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

Note No: 15 Other Non-Current Financial Liabilities

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
At Amortised Cost					
Security Deposit from Dealers	**16.90**	14.37	13.00	10.67	9.53
Payables on purchase of Property, Plant & Equipment	**245.33**	-	-	-	-
Total	**262.23**	**14.37**	**13.00**	**10.67**	**9.53**

Note No: 16 Non-Current Provisions

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Provision for Employee Benefits					
- Gratuity	**7.75**	6.94	5.79	4.35	3.10
- Leave Encashment	**3.35**	2.90	2.49	1.64	1.26
Total	**11.10**	**9.84**	**8.28**	**5.99**	**4.35**

Note No: 17 Deferred Tax Liabilities (Net)

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Deferred Tax Liabilities:					
Impact of difference between tax depreciation and depreciation	**102.51**	88.74	70.38	52.35	42.34
Total Deferred Tax Liabilities	**102.51**	**88.74**	**70.38**	**52.35**	**42.34**
Deferred Tax Assets:					
Disallowance under the Income Tax Act, 1961	**6.29**	5.95	5.13	3.44	2.83
Total Deferred Tax Assets	**6.29**	**5.95**	**5.13**	**3.44**	**2.83**
Net Deferred Tax Liabilities/(Asset)	**96.22**	**82.79**	**65.25**	**48.91**	**39.51**

Reconciliation of Deferred Tax Liabilities (Net)

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Deferred Tax Liabilities:					
Impact of difference between tax depreciation and depreciation					
Opening Balance	**88.74**	70.38	52.35	42.34	31.49
Movement during the year	**13.77**	18.36	18.03	10.01	10.84
Closing Balance	**102.51**	**88.74**	**70.38**	**52.35**	**42.34**
Deferred Tax Assets:					
Disallowance under the Income Tax Act, 1961					
Opening Balance	**5.95**	5.13	3.44	2.83	2.47
Movement during the year	**0.34**	0.82	1.69	0.61	0.36
Closing Balance	**6.29**	**5.95**	**5.13**	**3.44**	**2.83**
Net Deferred Tax Liabilities/(Asset)	**96.22**	**82.79**	**65.25**	**48.91**	**39.51**

Note No: 18 Current Borrowings

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
At Amortised Cost					
Loan Repayable on Demand					
From Banks (Secured*)					
- Cash Credit	**-**	-	-	14.46	12.05
Total	**-**	**-**	**-**	**14.46**	**12.05**

* Limit is taken from Bank of Maharashtra. Secured by hypothecation of Inventory and Book Debts, lien on bills and additional charge on properties already mortgaged to Bank of Maharashtra

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

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
At Amortised Cost					
Dues Owed to Micro, Small and Medium Enterprises*	**-**	-	-	-	-
Dues of other than MSMEs	**344.21**	254.18	281.21	236.46	212.60
Total	**344.21**	**254.18**	**281.21**	**236.46**	**212.60**

* 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

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
At Amortised Cost					
Current Maturities on Non-Current Borrowings from Banks (Refer Note No. 14)	**4.14**	4.00	2.27	14.83	20.21
Unpaid Dividend	**0.51**	0.36	0.31	0.20	0.22
Payables on purchase of Property, Plant & Equipment	**81.79**	-	-	-	-
Employee Related Liabilities	**27.22**	23.26	20.71	13.73	10.21
Security Deposits	**77.46**	61.81	60.37	46.28	35.97
Expenses Payable	**13.40**	18.52	13.59	16.66	5.00
Others Payable	**16.91**	6.71	6.55	3.45	4.27
Total	**221.43**	**114.65**	**103.80**	**95.15**	**75.88**

Note No: 21 Other Current Liabilities

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Advances received from Customers	**11.47**	13.41	10.41	3.86	3.70
Statutory Dues	**36.13**	13.91	19.95	12.81	11.95
Others Payable	**-**	0.02	0.02	0.02	0.02
Total	**47.60**	**27.35**	**30.38**	**16.69**	**15.66**

Note No: 22 Current Provisions

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Provision for Employee Benefits					
- Gratuity	**5.73**	5.79	5.04	4.49	4.11
- Leave Encashment	**1.35**	1.26	0.93	0.53	0.58
Total	**7.08**	**7.05**	**5.97**	**5.01**	**4.69**

Note No: 23 Current Tax Liabilities

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Income Tax Payable	**48.06**	11.76	66.74	21.20	7.84
Total	**48.06**	**11.76**	**66.74**	**21.20**	**7.84**

Note No: 24 Revenue from operations

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Sale of Goods					
- Inland Sales	**3,102.93**	2,851.72	2,734.16	1,928.51	1,640.92
- Exports Sales	**261.52**	239.54	185.18	129.66	93.31
Total Revenue from Operations	**3,364.44**	**3,091.25**	**2,919.34**	**2,058.17**	**1,734.24**

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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Revenue from Operations (including Excise Duty)	**3,364.44**	3,091.25	2,919.34	2,058.17	1,734.24
Excise Duty	**87.18**	368.54	351.32	249.38	211.75
Revenue from Operations excluding Excise Duty	**3,277.26**	**2,722.71**	**2,568.02**	**1,808.79**	**1,522.49**

Note No: 25 Other Income

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Other income - recurring					
Interest Income	**28.15**	18.06	8.84	0.22	0.35
Rent Income	**0.26**	0.24	0.24	0.24	0.02
Miscellaneous Income	**1.74**	1.77	1.84	0.81	0.78
Other income - non recurring					
Gain on change in fair value of Investments	**-**	0.01	-	-	-
Profit on Sale of Investments*	**23.30**	-	-	-	-
Total	**53.45**	**20.08**	**10.92**	**1.27**	**1.15**
Interest income (calculated using the effective interest method) for financial assets that are classified at amortised cost	**28.15**	18.06	8.84	0.22	0.35

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

Note No: 26 Cost of Material Consumed

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Consumption of:					
Polycarbonate	**148.20**	101.56	100.97	66.44	57.75
Cloth	**114.88**	96.97	102.76	77.91	69.92
ABS	**407.19**	290.01	282.72	248.83	220.41
Thermocol	**142.01**	102.48	89.59	70.54	62.92
Buckle	**43.67**	40.31	42.38	27.15	21.76
PPCP	**32.54**	26.91	24.91	26.32	23.10
Paints	**117.46**	118.43	114.10	93.64	83.38
Visor	**3.43**	4.40	10.00	16.25	10.67
Other Components	**519.19**	477.04	428.79	310.14	261.73
Total	**1,528.56**	**1,258.11**	**1,196.23**	**937.21**	**811.63**

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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Inventory at the beginning of the year					
Finished Goods	**35.03**	15.92	9.69	9.54	8.05
Work in Progress	**3.03**	2.51	2.00	2.00	1.50
Total	**38.06**	**18.43**	**11.69**	**11.54**	**9.55**
Less: Inventory at the end of the year					
Finished Goods	**28.47**	35.03	15.92	9.69	9.54
Work in Progress	**3.21**	3.03	2.51	2.00	2.00
Total	**31.68**	**38.06**	**18.43**	**11.69**	**11.54**
Net (Increase)/decrease	**6.38**	**(19.63)**	**(6.74)**	**(0.15)**	**(1.99)**

Note No: 28 Employee Benefit Expenses

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Salaries, Wages and Bonus	**288.39**	243.41	195.51	143.56	123.41
Contribution to Provident Fund & Other Fund	**23.44**	20.85	16.86	12.04	10.28
Employees Welfare Expenses	**6.99**	6.92	7.18	4.58	4.16
Total	**318.82**	**271.17**	**219.54**	**160.17**	**137.86**

Note No: 29 Finance Cost

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Interest on:					
- Term Loan	**-**	-	1.21	6.16	8.03
- Cash Credit / Overdraft	**0.03**	-	0.92	0.71	0.79
- Vehicle Loan	**0.85**	0.99	0.79	0.42	0.32
- Unsecured Loans	**1.92**	2.04	1.79	2.14	2.14
- Dealer Security Deposit	**0.68**	0.58	0.48	0.31	0.29
Total	**3.47**	**3.61**	**5.18**	**9.73**	**11.57**
Interest expense (calculated using the effective interest method) for financial liabilities that are Classified at Amortised Cost	**3.47**	3.61	5.18	9.73	11.57

Note No: 30 Depreciation and Amortisation Expense

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Depreciation/Amortisation of tangible assets	**56.09**	51.10	37.29	32.66	25.23
Amortisation of intangible assets	**1.30**	1.14	1.00	0.70	0.36
Total	**57.39**	**52.23**	**38.29**	**33.36**	**25.58**

Note No: 31 Other Expenses

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Processing Charges	**113.87**	100.63	82.53	56.30	49.50
Packaging & Forwarding	**192.35**	155.84	152.84	113.66	96.40
Power & Fuel	**105.82**	106.61	89.60	63.22	50.70
Store Consumed	**34.90**	35.69	41.01	31.34	22.88
Cartage Outward	**150.09**	120.55	115.22	82.77	70.19
Insurance Expenses	**4.58**	3.13	2.25	1.88	1.73
Repair and Maintenance :					
- Plant & Machinery	**17.43**	13.55	16.04	8.98	7.19
- Building	**17.63**	24.63	20.20	6.56	5.20
- Others	**7.45**	18.41	24.79	9.94	10.14
Rent	**15.64**	14.93	12.33	0.60	-
Payment to Auditors*	**0.85**	0.30	0.20	0.18	0.17
Legal & Professional Expenses	**22.62**	33.77	33.26	22.21	19.31
Corporate Social Responsibility (CSR) expenses#	**6.20**	4.40	2.43	2.05	-
Loss on sale of Property, Plant and Equipment	**0.15**	1.73	0.09	0.47	0.48
Loss on change in fair value of Investments	**0.04**	-	0.02	0.00	0.02
Travelling & Conveyance Expenses	**9.03**	7.47	7.25	6.52	6.62
Commission on Sales	**2.35**	0.76	0.25	0.35	0.56
Advertisement	**24.65**	9.76	6.69	6.49	4.70
Target Incentive	**110.15**	94.22	88.19	68.64	57.49
Bank Charges	**0.84**	1.94	1.29	1.38	0.98
Miscellaneous Expenses	**64.65**	62.20	43.67	25.87	21.51
Total	**901.29**	**810.54**	**740.15**	**509.40**	**425.78**

*** Details of Auditor's Remuneration**

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Payment to Auditors					
- For Audit Fees	**0.75**	0.20	0.15	0.14	0.14
- For Taxation Matters	**0.10**	0.10	0.05	0.04	0.03
Total	**0.85**	**0.30**	**0.20**	**0.18**	**0.17**

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:

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Profit after tax for calculation of EPS (Rs. in million) (A)	**328.81**	236.01	245.59	103.51	75.01
Number of equity shares post split*	**2,186,300**	2,186,300	2,186,300	2,186,300	2,186,300
Add: Effect of Bonus issue#	**17,490,400**	17,490,400	17,490,400	17,490,400	17,490,400
Weighted average number of equity shares in calculating diluted EPS (C)	**19,676,700**	**19,676,700**	**19,676,700**	**19,676,700**	**19,676,700**
Face Value per share (Amount in Rs.)	**5.00**	5.00	5.00	5.00	5.00
Basic Earning per share (Amount in Rs.) (A/B)	**16.71**	11.99	12.48	5.26	3.81
Diluted Earning per share (Amount in Rs.) (A/C)	**16.71**	**11.99**	**12.48**	**5.26**	**3.81**

* 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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-	-	-

Note No: 34 Segment Information

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

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

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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
(i) Gross amount required to be spent by the Company during the year	**6.14**	4.39	2.43	2.02	NA*
			In Cash	**Yet to be paid in Cash**	**Total**
(ii) Amount spent during the year ending on March 31, 2018:					
1. Construction / acquisition of any asset			**-**	**-**	**-**
2. On purposes other than (i) above					
– Studds Foundation			**6.20**	**-**	**6.20**
(iii) Amount spent during the year ending on March 31, 2017:					
1. Construction / acquisition of any asset			-	-	-
2. On purposes other than (i) above					
– Studds Foundation			4.40	-	**4.40**
(iv) Amount spent during the year ending on March 31, 2016:					
1. Construction / acquisition of any asset			-	-	-
2. On purposes other than (i) above					
– Studds Foundation			2.43	-	**2.43**
(v) Amount spent during the year ending on March 31, 2015:					-
1. Construction / acquisition of any asset			-	-	-
2. On purposes other than (i) above					
– Studds Foundation			2.05	-	**2.05**

* Provisions relating to Corporate Social Responsibility were introduced by the Companies Act, 2013 which were not applicable till 31-Mar-14.

Note No: 36 Related Party Disclosures

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

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

Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence
- Alpine Apparels Private Limited (Related Party till 22/01/2018)
'Studds Foundation

Key Management Personnel & their Relatives:

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

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

(Rs. in million)

S. No.	Name of the Party	Nature of Transaction	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
1	**Mr. Madhu Bhushan Khurana**	**Director's Remuneration:**					
		- Short-term employee benefits	**15.05**	6.95	4.13	4.44	3.80
		- Post-employment benefits	**-**	-	-	-	-
		Interest on Loan	**1.36**	1.39	1.13	1.05	1.05
		Dividend	**5.36**	0.60	8.64	2.96	2.70
		Rent	**0.30**	0.30	0.30	0.30	0.15
		Loan Taken	**-**	-	2.80	-	-
		Loan Repaid	**11.57**	-	-	-	-
		Loan Receivable/(Payable)	**-**	(11.57)	(11.57)	(8.77)	(8.77)
		Balance Receivable/(Payable)	**(0.06)**	(0.18)	(0.16)	(0.03)	(1.37)
2	**Mrs. Chand Khurana**	**Director's Remuneration/Salary:**					
		- Short-term employee benefits	**2.73**	2.83	2.53	1.64	1.54
		- Post-employment benefits	**-**	-	-	-	-
		Interest on Loan	**0.56**	0.65	0.65	1.09	1.09
		Dividend	**0.81**	0.09	1.32	0.45	0.41
		Rent	**0.30**	0.30	0.30	0.30	0.15
		Loan Repaid	**5.45**	-	3.60	-	-
		Loan Receivable/(Payable)	**-**	(5.45)	(5.45)	(9.05)	(9.05)
		Balance Receivable/(Payable)	**(1.10)**	(0.09)	(0.09)	(0.07)	(0.70)
3	**Mr. Sidhartha Bhushan Khurana**	**Director's Remuneration:**					
		- Short-term employee benefits	**15.15**	11.48	7.58	4.21	3.76
		- Post-employment benefits	**-**	-	-	-	-
		Dividend	**1.34**	0.14	1.64	0.55	0.50
		Balance Receivable/(Payable)	**(0.19)**	-	(0.08)	(0.07)	(12.98)
4	**Mrs. Garima Khurana**	**Director's Remuneration/Salary:**					
		- Short-term employee benefits	**1.13**	0.49	0.43	0.43	0.29
		- Post-employment benefits	**-**	-	-	-	-
		Dividend	**0.02**	0.00	0.03	0.01	0.01
		Balance Receivable/(Payable)	**(0.01)**	-	-	-	-
5	**Alpine Apparels Private Limited**	Adavnce given against service contract	**15.00**	-	-	-	-
		Advance received back with interest	**15.00**	-	-	-	-
		Interest received on advance	**0.72**	-	-	-	-
6	**Stuuds Foundation**	CSR Expenditure	**6.20**	4.14	2.43	2.05	-

Terms and conditions of transactions with related parties

The transactions related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs through banking channel. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, 2017, 2016, 2015 and 2014, 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 for the year ended March 31, 2018 is as follows:

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Rent Expense under Operating Lease	**15.64**	14.93	12.33	0.60	-

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

Operating lease: Company as Lessor

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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Rent Income under Operating Lease	**0.26**	0.24	0.24	0.24	0.02

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:

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Estimated amount of contracts remaining to be executed on capital account and not provided for	**0.82**	7.66	2.63	3.47	0.77

(iii) Contingent Liabilities

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Sales tax demand	**43.45**	-	-	-	-
Electricity penal demand	**5.69**	-	-	-	-

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

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

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

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

Note No: 38 Employee Benefits

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

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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Employer's Contribution to Provident Fund & Pension*	**14.63**	13.69	10.46	7.10	6.00
Employer's Contribution to ESI*	**8.54**	6.89	6.17	4.75	4.11

*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: (Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Present value of obligation as at the beginning	**12.73**	10.83	8.83	7.21	6.62
Current service cost	**1.57**	1.48	1.24	0.98	0.76
Past Service Cost	**-**	-	-	-	-
Interest cost	**0.88**	0.86	0.69	0.65	0.54
Re-measurement (or Actuarial) (gain) / loss	**0.52**	(0.31)	0.22	0.06	(0.69)
Benefits paid	**(2.23)**	(0.12)	(0.15)	(0.06)	(0.02)
Present Value of Obligation as at the end	**13.48**	**12.73**	**10.83**	**8.83**	**7.21**
Current Liability	**5.73**	**5.79**	**5.04**	**4.49**	**4.11**
Non-Current Liability	**7.75**	**6.94**	**5.79**	**4.35**	**3.10**

(ii) Fair Value of Plan Assets: (Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Fair Value of Plan Assets as at the beginning	**-**	-	-	-	-
Interest Income	**-**	-	-	-	-
Employer's Contribution	**-**	-	-	-	-
Benefits Paid	**-**	-	-	-	-
Actuarial Gains/(Losses)	**-**	-	-	-	-
Fair Value of Plan Assets as at the end	**-**	**-**	**-**	**-**	**-**

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

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Present Value of Obligation at the end	**13.48**	12.73	10.83	8.83	7.21
Fair Value of Plan Assets at the end	**-**	-	-	-	-
Amount Recognised in Balance Sheet	**13.48**	**12.73**	**10.83**	**8.83**	**7.21**

(iv) Net Employee Benefit Expense (recognized in Employee Cost): (Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Current service cost	**1.57**	1.48	1.24	0.98	0.76
Past service cost	**-**	-	-	-	-
Net interest cost on net defined benefit liability	**0.88**	0.86	0.69	0.65	0.54
Net benefit expense recognized in statement of Profit and Loss	**2.45**	**2.34**	**1.93**	**1.63**	**1.30**

(v) Amount recognised in Other Comprehensive Income: **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Actuarial (Gain)/Loss arising from:					
Effect of experience adjustment (gains)/losses	**0.58**	(0.45)	0.25	(0.18)	(0.57)
Difference in Present Value of Obligations	**(0.06)**	0.14	(0.03)	0.23	(0.12)
Components of defined benefit costs recognised in other comprehensive income	**0.52**	**(0.31)**	**0.22**	**0.06**	**(0.69)**

(vi) Funding Pattern **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
	Nil	Nil	Nil	Nil	Nil

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

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Discount rate	**7.70 % p.a.**	7.55 % p.a.	7.97 % p.a.	7.85 % p.a.	9.10 % p.a.
Attrition Rate	**20.00 % p.a.**	20.00 % p.a.	20.00 % p.a.	20.00 % p.a.	20.00 % p.a.
Salary growth rate	**10.00 % p.a.**	10.00 % p.a.	10.00 % p.a.	10.00 % p.a.	10.00 % p.a.
Mortality rate	**IALM 2006-08**	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08

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

(viii) A quantitative sensitivity analysis for significant assumption

(a) Discount rate **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Change in assumption (3 % p.a. increase)					
Impact on defined benefit obligation	**(0.97)**	(0.87)	(0.69)	(0.52)	(0.36)
Change in assumption (3 % p.a. decrease)					
Impact on defined benefit obligation	**1.26**	1.12	0.88	0.66	0.45

(b) Salary growth rate **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Change in assumption (1 % p.a. increase)					
Impact on defined benefit obligation	**0.37**	0.33	0.26	0.20	0.14
Change in assumption (1 % p.a. decrease)					
Impact on defined benefit obligation	**(0.35)**	(0.31)	(0.25)	(0.18)	(0.13)

(c) Attrition Rate **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Change in assumption (3 % p.a. increase)					
Impact on defined benefit obligation	**(0.27)**	(0.23)	(0.17)	(0.14)	(0.07)
Change in assumption (3 % p.a. decrease)					
Impact on defined benefit obligation	**0.28**	0.24	0.17	0.14	0.07

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

(ix) Defined benefit liability and employer contributions

Expected benefit payments are as follows: **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Within the next 12 months	**5.92**	6.06	5.21	4.60	4.21
Between 2 and 5 years	**8.76**	7.95	7.06	5.64	4.00
Between 5 and 10 years	**8.36**	7.54	6.06	4.48	3.94
After 10 years	**8.75**	7.40	6.93	5.23	3.79

(x) Risk exposure

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

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

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

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

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

(a) Movement in the present value of the defined benefit obligation: **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Present value of obligation as at the beginning	**4.16**	3.42	2.17	1.84	0.98
Current service cost	**2.39**	2.16	1.82	1.23	0.93
Interest cost	**0.20**	0.17	0.09	0.11	0.03
Re-measurement (or Actuarial) (gain) / loss	**1.01**	1.09	1.40	0.30	1.04
Benefits paid	**(3.05)**	(2.68)	(2.06)	(1.29)	(1.15)
Present Value of Obligation as at the end	**4.70**	**4.16**	**3.42**	**2.17**	**1.84**
Current Liability	**1.35**	**1.26**	**0.93**	**0.53**	**0.58**
Non-Current Liability	**3.35**	**2.90**	**2.49**	**1.64**	**1.26**

(b) Net employee benefit expense (recognized in Employee Cost): **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Current service cost	**2.39**	2.16	1.82	1.23	0.93
Past service cost	**-**	-	-	-	-
Interest cost	**0.20**	0.17	0.09	0.11	0.03
Re-measurement (or Actuarial) (gain) / loss	**1.01**	1.09	1.40	0.30	1.04
Net benefit expense recognized in statement of Profit and Loss	**3.60**	**3.42**	**3.31**	**1.63**	**2.00**

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

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Discount rate	**7.70 % p.a.**	7.55 % p.a.	7.97 % p.a.	7.85 % p.a.	9.10% p.a.
Attrition Rate	**20.00 % p.a.**	20.00 % p.a.	20.00 % p.a.	20.00 % p.a.	20.00% p.a.
Salary growth rate	**10.00 % p.a.**	10.00 % p.a.	10.00 % p.a.	10.00 % p.a.	10.00% p.a.
Mortality rate	**IALM 2006-08**	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08

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

(d) Reconciliation of Fair Value of Assets and Obligation: **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Fair Value of Plan Assets at the end	**-**	-	-	-	-
Present Value Obligation at the end	**4.70**	4.16	3.42	2.17	1.84
Amount Recognised in Balance Sheet	**4.70**	**4.16**	**3.42**	**2.17**	**1.84**

Note No: 39 Fair Values

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

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

(Rs. in million)

Particulars	31-Mar-18		31-Mar-17		31-Mar-16 (Proforma)		31-Mar-15 (Proforma)		31-Mar-14 (Proforma)	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Investments*	**0.03**	**0.03**	0.06	0.06	0.06	0.06	0.07	0.07	0.08	0.08
Trade Receivables	**121.85**	**121.85**	39.68	39.68	84.36	84.36	45.32	45.32	43.11	43.11
Cash & Cash Equivalents	**171.44**	**171.44**	100.84	100.84	82.20	82.20	163.52	163.52	71.50	71.50
Other Bank Balances	**468.60**	**468.60**	316.34	316.34	205.94	205.94	2.41	2.41	2.25	2.25
Other Financial Assets	**8.22**	**8.22**	8.26	8.26	8.06	8.06	3.90	3.90	4.27	4.27
Total Financial Assets	**770.14**	**770.14**	**465.19**	**465.19**	**380.62**	**380.62**	**215.22**	**215.22**	**121.21**	**121.21**

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

B. Financial Liabilities

(Rs. in million)

Particulars	31-Mar-18		31-Mar-17		31-Mar-16 (Proforma)		31-Mar-15 (Proforma)		31-Mar-14 (Proforma)	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Borrowings	**3.51**	**3.51**	24.75	24.75	24.30	24.30	45.70	45.70	58.08	58.08
Other Non-Current Financial Liabilities	**262.23**	**262.23**	14.37	14.37	13.00	13.00	10.67	10.67	9.53	9.53
Current Borrowings	**-**	**-**	-	-	-	-	14.46	14.46	12.05	12.05
Trade Payables	**344.21**	**344.21**	254.18	254.18	281.21	281.21	236.46	236.46	212.60	212.60
Other Current Financial Liabilities#	**221.43**	**221.43**	114.65	114.65	103.80	103.80	95.15	95.15	75.88	75.88
Total Financial Liabilities	**831.39**	**831.39**	**407.95**	**407.95**	**422.32**	**422.32**	**402.44**	**402.44**	**368.14**	**368.14**

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:

(Rs. in million)

Particulars	31-Mar-18	31-Mar-17	31-Mar-16 (Proforma)	31-Mar-15 (Proforma)	31-Mar-14 (Proforma)
Financial Assets					
Financial investments as FVTPL					
Investment in Quoted Shares (Level 1)	**0.03**	0.06	0.06	0.07	0.08

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

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

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

Note No: 40 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, other bank balances, investment in equity shares and other receivables that derive directly from its operations.
The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management has assigned the responsibility to oversee the management of these risks to its treasury team. The treasury team assesses the financial risks and takes appropriate action to mitigate those risks. The treasury team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investment in equity shares.
The sensitivity analysis in the following sections relate to the position as at 31 March 2018, 2017, 2016, 2015 and 2014
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:

(Rs. in million)

Particulars	Increase/decrease in basis points	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
INR Loans*	+ 50 Basis Points	(0.00)	-	(0.11)	(0.34)	(0.44)
INR Loans*	- 50 Basis Points	0.00	-	0.11	0.34	0.44

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

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

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

Liabilities/Assets	Foreign Currency (Amount in million)				
	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Liabilities					
USD	**0.21**	0.17	0.36	0.48	0.42
EURO	**0.08**	0.04	-	0.12	-
Assets					
USD	**-**	0.04	0.01	0.11	0.05
EURO	**0.02**	-	0.00	-	0.02

Liabilities/Assets	INR (Rs. in million)				
	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Liabilities					
USD	**13.37**	11.07	24.52	30.15	26.40
EURO	**6.10**	3.04	-	9.63	-
Assets					
USD	**-**	2.44	0.65	7.75	3.16
EURO	**1.73**	-	0.03	-	2.25

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:

(Rs. in million)

Currency	Change in rate	Effect on profit before tax for the year				
		31-Mar-18	31-Mar-17	31-Mar-16 Proforma	31-Mar-15 Proforma	31-Mar-14 Proforma
USD	Appreciation in INR by 5%	**0.67**	0.43	1.19	1.12	1.16
USD	Depreciation in INR by 5%	**(0.67)**	(0.43)	(1.19)	(1.12)	(1.16)
EURO	Appreciation in INR by 5%	**0.22**	0.15	(0.00)	0.48	(0.11)
EURO	Depreciation in INR by 5%	**(0.22)**	(0.15)	0.00	(0.48)	0.11

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 2018, 2017, 2016, 2015 and 2014 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

Ageing of Trade Receivables

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
0-6 Months past due	**120.97**	39.36	84.28	45.04	41.56
6-12 Months past due	**0.69**	0.31	0.00	0.11	1.43
More than 12 months	**0.19**	0.01	0.08	0.17	0.13
Total	**121.85**	**39.68**	**84.36**	**45.32**	**43.11**

Balances with Banks

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

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

Liquidity Risk

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

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

(Rs. in million)

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

(Rs. in million)

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

(Rs. in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2016 (Proforma)				
Non-Current Borrowings	2.27	24.30	-	26.57
Other Non-Current Financial Liabilities	-	13.00	-	13.00
Trade Payables	281.21	-	-	281.21
Other Current Financial Liabilities	101.54	-	-	101.54
Total	**385.01**	**37.31**	**-**	**422.32**

(Rs. in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2015 (Proforma)				
Non-Current Borrowings	14.83	45.70	-	60.53
Other Non-Current Financial Liabilities	-	10.67	-	10.67
Current Borrowings	14.46	-	-	14.46
Trade Payables	236.46	-	-	236.46
Other Current Financial Liabilities	80.32	-	-	80.32
Total	**346.07**	**56.36**	**-**	**402.44**

(Rs. in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2014 (Proforma)				
Non-Current Borrowings	20.21	58.08	-	78.29
Other Non-Current Financial Liabilities	-	9.53	-	9.53
Current Borrowings	12.05	-	-	12.05
Trade Payables	212.60	-	-	212.60
Other Current Financial Liabilities	55.67	-	-	55.67
Total	**300.53**	**67.61**	**-**	**368.14**

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.

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Borrowings	**7.65**	28.75	26.57	74.99	90.34
Trade Payables	**344.21**	254.18	281.21	236.46	212.60
Less: Cash and cash equivalents	**171.44**	100.84	82.20	163.52	71.50
Net Debt (A)	**180.42**	**182.10**	**225.58**	**147.93**	**231.44**
Equity (B)	**1,186.88**	**870.25**	**635.35**	**408.32**	**313.19**
Net Debt/ Equity Ratio (A/B)	**15.20%**	**20.92%**	**35.50%**	**36.23%**	**73.90%**

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

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

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

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

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

B. Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the restated 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 restated standalone financial information.

(ii) Impairment of financial assets

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

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

(iv) Gratuity benefits
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

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

STUDDS ACCESSORIES LIMITED
Annexure-V Notes to Restated Standalone Financial Information

Note No: 43 Distributions made and Proposed

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Amounts recognised as distributions to equity holders:					
Interim Dividend (Including Dividend Tax) (Rs. In million) (A)	**-**	-	9.21	-	-
Per Share Dividend (Amount in Rs.)	**-**	-	7.00	-	-
Proposed Dividend (Including Dividend Tax) (Rs. in million) (B)*	**11.86**	11.84	1.32	9.21	6.14
Per Share Dividend (Amount in Rs.)	**0.50**	9.00	1.00	7.00	4.80
Total Dividend (A+B)	**11.86**	**11.84**	**10.53**	**9.21**	**6.14**

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

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

Note No: 44 Specified Bank Notes

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

(Rs. in million)

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

Note No: 45 Disposal of Investment in Subsidiary

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

Note No: 46 Events after the reporting period

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

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

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

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

Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods:

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

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

The above statement should be read together with significant accounting policies in Annexure V, restatement adjustments to audited standalone financial statements in Annexure VI and notes to the restated 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
Director
DIN:00172770

Sidhartha Bhushan Khurana
Director
DIN: 00172788

S.D.CHOUDHRY
Director
DIN: 07094705

Place: Faridabad
Date: 18th August, 2018

Manish Mehta
Chief Financial Officer

Kanika Bhutani
Company Secretary

Place: Faridabad
Date: 18th August, 2018

First Time Adoption

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

The Company has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated standalone financial information for the years ended March 31, 2016, 2015 and 2014 has been prepared on Proforma basis (i.e. "Proforma Standalone Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS standalone financial information for the year ended March 31, 2016, 2015 and 2014, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2016. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Standalone financial information as of and for the years ended March 31, 2016, 2015 and 2014 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 01, 2016).

A. Exemptions applied:

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

(i) Estimates

The estimates at 31 March, 2014, 2015, 2016 and 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

(ii) Derecognition of financial assets

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

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

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

(iv) Arrangements containing a lease

For leases of both land and building elements, the Company has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 01, 2016) to Ind AS on the basis of the facts and circumstance existing as at that date. For the purpose of Proforma standalone Ind AS financial information for the year ended March 31, 2016, 2015 and 2014, the Company has continued with the classification of finance and operating leases on the date of transition (i.e. April 01, 2016).

(v) Investment in subsidiary

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

(vi) Business combinations:

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

STUDDS ACCESSORIES LIMITED

Annexure-VI Restatement adjustments to Audited Standalone Financial Statements

B. Reconciliations between previous GAAP and Ind AS

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

(i) Reconciliation of Equity **(Rs. in million)**

Particulars	Notes	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14
Equity as reported under previous GAAP		857.55	632.92	399.63	307.40
Ind AS: Adjustments:					
Proposed Dividend: Adjustment reflect final dividend (including corporate dividend tax) declared and approved post reporting period	1	11.84	1.32	9.21	6.14
Effect of Investment in Instruments carried at fair value through Profit and Loss	2	(0.02)	(0.03)	(0.02)	(0.01)
Actuarial Valuation of Gratuity and Leave Encashment	5	0.88	1.15	(0.50)	(0.33)
Material restatement adjustments (Audit qualification*)		-	-	-	-
Equity as reported under Ind AS		**870.25**	**635.35**	**408.33**	**313.19**

(ii) Reconciliation of Profit/Total Comprehensive income **(Rs. in million)**

Particulars	Notes	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-15	Year Ended 31-Mar-14
Profit as reported under previous GAAP		236.47	243.82	103.65	75.83
Ind AS: Adjustments increase (decrease):					
Effect of Investment in Instruments carried at fair value through Profit and Loss	2	0.01	(0.02)	(0.00)	(0.02)
Actuarial Valuation of Gratuity and Leave Encashment	5	(0.47)	1.79	(0.13)	(0.80)
Material restatement adjustments (Audit qualification*)		-	-	-	-
Profit for the year		**236.01**	**245.59**	**103.51**	**75.01**
Other comprehensive income (net of tax)	3	0.20	(0.14)	(0.04)	0.47
Total comprehensive income under Ind AS		**236.21**	**245.45**	**103.47**	**75.48**

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

(iii) Reconciliation of Cash Flow

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

*Audit of the standalone financial statements for the years ended March 31, 2017, 2016, 2015 and 2014 was conducted by previous auditors who vide their reports dated August 24, 2017, August 26, 2016, August 28, 2015 and August 25, 2014 respectively expressed an unmodified opinion on the same.

(iv) Modifications in the auditor’s report and statements/comments included in the Annexure's to the Audit Report on the audited financial statements of the Company for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 which do not required any corrective adjustments in the Restated standalone Financial Information are as follows:

Audit reservations / qualifications, which do not require any corrective adjustment in the standalone financial information:

The dues outstanding in the Company in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of statute	Name of the disputed dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute are pending
Income-Tax Act 1961	Income Tax	1.09	2009-10 & 2014-15	Income Tax Authorities
Haryana Value Added Tax,2003	Sales Tax	43.45	2014-15	Taxation Authority,Faridabad (East)

(v) There is no material amount relating to adjustments for previous years has been identified and adjusted in arriving at the profits of the years to which they relate.

(vi) The accounting policy for provision of Gratuity and Leave Encashment has been corrected and the Standalone financial information has been restated for all periods presented (Refer Note-5 below)

STUDDS ACCESSORIES LIMITED

Annexure-VI Restatement adjustments to Audited Standalone Financial Statements

- **(i) Reconciliation of Assets and Liabilities**

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

(Rs. in million)

Particulars	Notes	As per IGAAP	Ind AS Adjustments	As per Ind AS
ASSETS				
Non-Current Assets				
Property Plant & Equipment		803.44	-	803.44
Capital Work in Progress		6.53	-	6.53
Intangible Assets		4.41	-	4.41
Financial Assets				
- Non-Current Investments	2	3.27	(0.02)	3.25
Total Non-Current Assets		**817.65**	**(0.02)**	**817.63**
Current Assets				
Inventories		109.90	-	109.90
Financial Assets				
- Trade Receivables		39.68	-	39.68
- Cash & Cash Equivalents		100.84	-	100.84
- Other Bank Balances		316.34	-	316.34
- Other Financial Assets		8.26	-	8.26
Other Current Assets		24.33	-	24.34
Total Current Assets		**599.35**	**-**	**599.36**
Total Assets		**1,417.00**	**(0.02)**	**1,416.99**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		10.93	-	10.93
Other Equity	1, 2 & 5	846.62	12.70	859.32
Total Equity		**857.55**	**12.70**	**870.25**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
- Non-Current Borrowings		24.75	-	24.75
- Other Non-Current Financial Liabilities		14.37	-	14.37
Non-Current Provisions	5	17.77	(7.93)	9.84
Deferred Tax Liability (Net)		82.79	-	82.79
Total Non-Current Liabilities		**139.68**	**(7.93)**	**131.74**
Current Liabilities				
Financial Liabilities				
- Trade Payables		254.18	-	254.18
- Other Current Financial Liabilities		114.65	-	114.65
Other Current Liabilities		27.35	-	27.35
Current Provisions	1 & 5	11.84	(4.79)	7.05
Current Tax Liabilities (Net)		11.76	-	11.76
Total Current Liabilities		**419.78**	**(4.79)**	**415.00**
Total Liabilities		**559.46**	**(12.72)**	**546.74**
Total Equity and Liabilities		**1,417.01**	**(0.02)**	**1,416.99**

STUDDS ACCESSORIES LIMITED

Annexure-VI Restatement adjustments to Audited Standalone Financial Statements

Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Indian GAAP and as per Ind AS as at 31st March 2016 are as follows:

(Rs. in million)

Particulars	Notes	As per IGAAP	Ind AS Adjustments	As per Ind AS
ASSETS				
Non-Current Assets				
Property Plant & Equipment		744.64	-	744.64
Capital Work in Progress		0.06	-	0.06
Intangible Assets		4.22	-	4.22
Financial Assets				
- Non-Current Investments	2	3.27	(0.03)	3.24
Total Non-Current Assets		**752.19**	**(0.03)**	**752.16**
Current Assets				
Inventories		78.25	-	78.25
Financial Assets				
- Trade Receivables		84.36	-	84.36
- Cash & Cash Equivalents		82.20	-	82.20
- Other Bank Balances		205.94	-	205.94
- Other Financial Assets		8.06	-	8.06
Other Current Assets		23.31	-	23.31
Total Current Assets		**482.12**	**-**	**482.12**
Total Assets		**1,234.31**	**(0.03)**	**1,234.28**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		10.93	-	10.93
Other Equity	1, 2 & 5	621.99	2.43	624.42
Total Equity		**632.92**	**2.43**	**635.35**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
- Non-Current Borrowings		24.30	-	24.30
- Other Non-Current Financial Liabilities		13.00	-	13.00
Non-Current Provisions	5	15.40	(7.12)	8.28
Deferred Tax Liability (Net)		65.24	-	65.24
Total Non-Current Liabilities		**117.94**	**(7.12)**	**110.83**
Current Liabilities				
Financial Liabilities				
- Trade Payables		281.21	-	281.21
- Other Current Financial Liabilities		103.80	-	103.80
Other Current Liabilities		30.38	-	30.38
Current Provisions	1 & 5	1.32	4.66	5.97
Current Tax Liabilities (Net)		66.74	-	66.74
Total Current Liabilities		**483.45**	**4.66**	**488.10**
Total Liabilities		**601.39**	**(2.46)**	**598.93**
Total Equity and Liabilities		**1,234.31**	**(0.03)**	**1,234.28**

STUDDS ACCESSORIES LIMITED

Annexure-VI Restatement adjustments to Audited Standalone Financial Statements

Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Indian GAAP and as per Ind AS as at 31st March 2015 are as follows:

(Rs. in million)

Particulars	Notes	As per IGAAP	Ind AS Adjustments	As per Ind AS
ASSETS				
Non-Current Assets				
Property Plant & Equipment		618.25	-	618.25
Intangible Assets		3.86	-	3.86
Financial Assets				
- Non-Current Investments	2	3.28	(0.02)	3.26
Total Non-Current Assets		**625.39**	**(0.02)**	**625.37**
Current Assets				
Inventories		53.30	-	53.30
Financial Assets				
- Trade Receivables		45.32	-	45.32
- Cash & Cash Equivalents		163.52	-	163.52
- Other Bank Balances		2.41	-	2.41
- Other Financial Assets		3.90	-	3.90
Other Current Assets		14.74	-	14.74
Total Current Assets		**283.19**	**-**	**283.19**
Total Assets		**908.58**	**(0.02)**	**908.56**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		10.93	-	10.93
Other Equity	1, 2 & 5	388.70	8.69	397.39
Total Equity		**399.63**	**8.69**	**408.32**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
- Non-Current Borrowings		45.70	-	45.70
- Other Non-Current Financial Liabilities		10.67	-	10.67
Non-Current Provisions	5	10.50	(4.51)	5.99
Deferred Tax Liability (Net)		48.91	-	48.91
Total Non-Current Liabilities		**115.78**	**(4.51)**	**111.27**
Current Liabilities				
Financial Liabilities				
- Current Borrowings		14.46	-	14.46
- Trade Payables		236.46	-	236.46
- Other Current Financial Liabilities		95.15	-	95.15
Other Current Liabilities		16.69	-	16.69
Current Provisions	1 & 5	9.21	(4.20)	5.01
Current Tax Liabilities (Net)		21.20	-	21.20
Total Current Liabilities		**393.17**	**(4.20)**	**388.98**
Total Liabilities		**508.95**	**(8.71)**	**500.24**
Total Equity and Liabilities		**908.58**	**(0.02)**	**908.56**

STUDDS ACCESSORIES LIMITED

Annexure-VI Restatement adjustments to Audited Standalone Financial Statements

Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Indian GAAP and as per Ind AS as at 31st March 2014 are as follows:

(Rs. in million)

Particulars	Notes	As per IGAAP	Ind AS Adjustments	As per Ind AS
ASSETS				
Non-Current Assets				
Property Plant & Equipment		548.32	-	548.32
Capital Work in Progress		8.81	-	8.81
Intangible Assets		3.27	-	3.27
Financial Assets				
- Non-Current Investments	2	3.27	(0.01)	3.26
Total Non-Current Assets		**563.67**	**(0.01)**	**563.66**
Current Assets				
Inventories		45.95	-	45.95
Financial Assets				
- Trade Receivables		43.11	-	43.11
- Cash & Cash Equivalents		71.50	-	71.50
- Other Bank Balances		2.25	-	2.25
- Other Financial Assets		4.27	-	4.27
Other Current Assets		22.65	-	22.65
Total Current Assets		**189.73**	**-**	**189.73**
Total Assets		**753.40**	**(0.01)**	**753.39**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		10.93	-	10.93
Other Equity	1, 2 & 5	296.47	5.80	302.26
Total Equity		**307.40**	**5.80**	**313.19**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
- Non-Current Borrowings		58.08	-	58.08
- Other Non-Current Financial Liabilities		9.53	-	9.53
Non-Current Provisions	5	8.71	(4.36)	4.35
Deferred Tax Liability (Net)		39.51	-	39.51
Total Non-Current Liabilities		**115.83**	**(4.36)**	**111.47**
Current Liabilities				
Financial Liabilities				
- Current Borrowings		12.05	-	12.05
- Trade Payables		212.60	-	212.60
- Other Current Financial Liabilities		75.88	-	75.88
Other Current Liabilities		15.66	-	15.66
Current Provisions	1 & 5	6.14	(1.45)	4.69
Current Tax Liabilities (Net)		7.84	-	7.84
Total Current Liabilities		**330.17**	**(1.45)**	**328.72**
Total Liabilities		**446.00**	**(5.81)**	**440.19**
Total Equity and Liabilities		**753.40**	**(0.01)**	**753.39**

STUDDS ACCESSORIES LIMITED

Annexure-VI Restatement adjustments to Audited Standalone Financial Statements

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

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

(Rs. in million)

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

STUDDS ACCESSORIES LIMITED

Annexure-VI Restatement adjustments to Audited Standalone Financial Statements

Reconciliation of Statement of Profit and Loss account prepared as per Indian GAAP and as per Ind AS as at 31st March 2016 are as follows:

(Rs. in million)

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

STUDDS ACCESSORIES LIMITED

Annexure-VI Restatement adjustments to Audited Standalone Financial Statements

Reconciliation of Statement of Profit and Loss account prepared as per Indian GAAP and as per Ind AS as at 31st March 2015 are as follows:

(Rs. in million)

Particulars	Notes	As per IGAAP	Ind AS Adjustments	As per Ind AS
Income				
Revenue from Operations	4	1,808.79	249.38	2,058.17
Other Income		1.27	-	1.27
Total Revenue		**1,810.06**	**249.38**	**2,059.44**
Expenses				
Cost of Material Consumed		937.21	-	937.21
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress		(0.15)	-	(0.15)
Excise Duty on sale of goods	4	-	249.38	249.38
Employee Benefit Expense	3 & 5	160.05	0.12	160.17
Finance Cost		9.73	-	9.73
Depreciation and Amortisation Expense		33.36	-	33.36
Other Expenses	2	509.40	0.00	509.40
Total		**1,649.59**	**249.50**	**1,899.09**
Profit before Tax		**160.47**	**(0.12)**	**160.35**
Tax Expense:				
Current Tax		47.29	0.02	47.31
Deferred Tax		9.41	-	9.41
Tax relating to earlier periods		0.12	-	0.12
Total Tax Expense		**56.82**	**0.02**	**56.84**
Profit for the year		**103.65**	**(0.14)**	**103.51**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Re-measurement gains/(losses) on defined benefit plans	3	-	(0.06)	(0.06)
Income tax effect	3	-	0.02	0.02
Total other comprehensive income		**-**	**(0.04)**	**(0.04)**
Total Comprehensive Income for the year		**103.65**	**(0.18)**	**103.47**

STUDDS ACCESSORIES LIMITED

Annexure-VI Restatement adjustments to Audited Standalone Financial Statements

Reconciliation of Statement of Profit and Loss account prepared as per Indian GAAP and as per Ind AS as at 31st March 2014 are as follows:

(Rs. in million)

Particulars	Notes	As per IGAAP	Ind AS Adjustments	As per Ind AS
Income				
Revenue from Operations	4	1,522.49	211.75	1,734.24
Other Income		1.15	-	1.15
Total Revenue		**1,523.64**	**211.75**	**1,735.39**
Expenses				
Cost of Material Consumed		811.63	-	811.63
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress		(1.99)	-	(1.99)
Excise Duty on sale of goods	4	-	211.75	211.75
Employee Benefit Expense	3 & 5	136.83	1.02	137.86
Finance Cost		11.57	-	11.57
Depreciation and Amortisation Expense		25.58	-	25.58
Other Expenses	2	425.75	0.02	425.78
Total		**1,409.38**	**212.79**	**1,622.18**
Profit before Tax		**114.26**	**(1.05)**	**113.21**
Tax Expense:				
Current Tax		27.39	(0.23)	27.17
Deferred Tax		10.48	-	10.48
Tax relating to earlier periods		0.56	-	0.56
Total Tax Expense		**38.43**	**(0.23)**	**38.20**
Profit for the year		**75.83**	**(0.82)**	**75.01**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Re-measurement gains/(losses) on defined benefit plans	3	-	0.69	0.69
Income tax effect	3	-	(0.23)	(0.23)
Total other comprehensive income		**-**	**0.47**	**0.47**
- **Total Comprehensive Income for the year**		**75.83**	**(0.35)**	**75.48**

Footnotes to the reconciliation of equity and profit or loss:

Note-1: Proposed Dividend
Under the previous GAAP, proposed dividend including corporate dividend tax (CDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as liability in the period in which it is declared by the Company, usually when approved by the shareholders in a Annual general meeting, or paid.

Proposed Dividend, including corporate dividend (CDT) tax liability was derecognised on the transition date and as at March 31, 2016, 2015, 2014, and 2013 with corresponding increase in retained earning. The same has been recognised in retained earnings during the financial year in which the dividend is declared at AGM.

Note-2: Fair Valuation of Investments
The Company has valued investments in equity shares (other than Investment in Subsidiary which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in the opening reserves and changes thereafter are recognised in the Statement of Profit and Loss.

Note-3: Remeasurement gains/loss on defined benefit plan
Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in OCI.

Note-4: Excise Duty
Under the previous GAAP, revenue from sale to goods was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented on face of Statement of Profit and Loss as a part of expense.

Note-5: Actuarial Valuation of Gratuity and Leave Encashment
Under the previous GAAP, the Company had booked liability for Gratuity & Leave Encashment on the basis of management's estimate rather than on the basis of Accounting Standard- 15 "Employee Benefits". Now the Company has recorded the liability in accordance with Ind AS 19 "Employee Benefits". Further, under IGAAP entire amount for Gratuity and Leave Encashment was treated as Non-Current, now the same has been divided between Current and Non-Current as per Actuarial Report.

Note-6: Material Regrouping
Appropriate adjustments have been made in the Restated Standalone Financial Information, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended) and as per the audited financials of the Company for the year ended 31 March 2018 prepared in accordance with the Schedule III of the Companies Act, 2013.

STUDDS ACCESSORIES LIMITED

Annexure-VII Restated Standalone Statement of Accounting Ratios

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Basic and Diluted Earnings per Share (Rs.)	**16.71**	11.99	12.48	5.26	3.81
Return on Net Worth (%)	**27.70%**	27.12%	38.65%	25.35%	23.95%
Net asset value per equity share (Rs)	**1,085.75**	796.10	581.21	373.52	286.51
Weighted average number of equity shares for Basic and Diluted Earnings Per Equity Share	**19,676,700**	19,676,700	19,676,700	19,676,700	19,676,700
Net Profit after tax, as restated (Rs. In million)	**328.81**	236.01	245.59	103.51	75.01
Equity Share Capital (Rs. In million)	**10.93**	10.93	10.93	10.93	10.93
Other Equity (Rs. In million)	**1,175.95**	859.32	624.42	397.39	302.26
Net Worth (Total Equity) (Rs. In million)	**1,186.88**	870.25	635.35	408.32	313.19

Notes:

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

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

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

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

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

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

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

4. Subsequent to March 31, 2018, the Board of Directors of the Company, in its meeting held on 08th June, 2018, have recommended to the members for split of equity shares of 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.

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 Restated Standalone Statement of Assets and Liabilities of the Company.

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

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

STUDDS ACCESSORIES LIMITED

Annexure-VIII Standalone capitalisation statement as at March 31, 2018

Particulars	Pre-Offer	Post-Offer
	Year Ended	
	31-Mar-18	
Debt		
Current Borrowings (A)	-	
Non-Current Borrowings		
- Current Financial Liabilities - Borrowings	3.51	
- Current Maturities of Non-Current Borrowings	4.14	
Total Non-Current Borrowings (B)	**7.65**	**-**
Total Borrowings (C=A+B)	7.65	-
Equity		
Equity Share Capital	10.93	
Other Equity:		
- Securities Premium	6.83	
- General Reserves	163.37	
- Retained Earnings	1,005.76	
Total Equity (D)	**1,186.88**	**-**
Non-Current Debt/Equity (B/D)	**0.01**	
Total Debt/Equity (C/D)	**0.01**	

Notes:

1. Non-Current Debt / Equity has been computed as = $\frac{\text{Non-Current Borrowings}}{\text{Total Equity}}$

2. Total Debt / Equity has been computed as = $\frac{\text{Total Borrowings}}{\text{Total Equity}}$

3. Current represents borrowings due within 12 months from the balance sheet date.

4. Non-current borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings

5. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

6. The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows presented

STUDDS ACCESSORIES LIMITED
Annexure-IX Statement of Tax Shelter

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Accounting Profit before Tax	**514.80**	**366.75**	**386.28**	**160.35**	**113.21**
Rate of Tax	**34.608%**	**34.608%**	**34.608%**	**33.990%**	**32.445%**
Computed Tax Expense	**178.16**	**126.92**	**133.69**	**54.50**	**36.73**
Tax effect of:					
Depreciation Allowance	**(10.99)**	(18.32)	(18.33)	(10.01)	(10.89)
Disallowances / (Allowances)	**7.62**	4.47	8.15	2.82	1.33
Profit on sale of Investments	**(2.66)**	-	-	-	-
Change in fair value of financial Instruments	**(0.01)**	0.00	(0.01)	(0.00)	(0.01)
Current Tax Expense (A)	**172.12**	**113.07**	**123.50**	**47.31**	**27.17**
Tax relating to earlier periods (B)	**0.44**	**0.13**	**0.85**	**0.12**	**0.56**
Deferred Tax Expense:					
Incremental Deferred Tax Liability on account of Property, Plant & Equipment and Intangible Assets	**13.77**	18.36	18.03	10.01	10.84
Incremental Deferred Tax Liability on account of Temporary Allowances/Dis-allowances under Income Tax Act, 1961	**(0.34)**	(0.82)	(1.69)	(0.61)	(0.36)
Deferred Tax Expense (C)	**13.43**	**17.54**	**16.34**	**9.41**	**10.48**
Total Tax Expense (A+B+C)	**185.99**	**130.73**	**140.69**	**56.84**	**38.20**

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Studds Accessories Limited
23/7 Mathura Road
Ballabgarh
Faridabad, 121004

Dear Sirs,

1. We have examined, the attached restated consolidated financial information of Studds Accessories Limited (the "Company"), its subsidiary (collectively known as the "Group"),which comprises of the restated consolidated summary statement of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014 , the restated consolidated summary statements of profit and loss (including other comprehensive income) and restated consolidated summary statement of changes in equity for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 , restated consolidated summary statement of cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 respectively, and the summary of significant accounting policies and notes thereto (collectively, the "Restated Consolidated Financial Information") as approved by the Board of Directors of the Company ("the Board") at their meeting held on August 18, 2018 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act")- as amended;

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (the "ICDR Regulations"); and

   c) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

2. The preparation of the Restated Consolidated Financial Information is the responsibility of the management of the Group for the purpose set out in paragraph 11 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management is also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

   Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act, the ICDR

Regulations and the Guidance Note.

3. We have examined these Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated April 9, 2018 in connection with the proposed IPO of the Company;

   b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) ('The Guidance Note") issued by the Institute of Chartered Accountants of India.

4. These Restated Consolidated Financial Information have been compiled by the management from the:

   a) Audited consolidated financial statements of the Group as at and for the year ended March 31, 2018 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2017, prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) which have been approved by the Board at their meeting held on June 08, 2018 and which have been audited by us. The audited consolidated financial statements of the Group as at and for the year ended March 31, 2017, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, ("Indian GAAP") which have been approved by the Board of directors at their meeting held on August 24, 2017.

   b) Audited consolidated financial statements as at and for the years ended March 31, 2016, 2015 and 2014 were prepared in accordance with Indian GAAP. These proforma consolidated Ind AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended March 31, 2016, 2015 and 2014 which have been approved by the Board at their meeting held on August 26, 2016, August 28, 2015 and August 25, 2014, respectively, as described in Note 2 (a) of Annexure V.

   The Restated Financial Information in 4(b) above, as at and for the years ended March 31,2016, March 31, 2015 and March 31, 2014 are referred to as ("the Proforma Ind AS Restated Consolidated Financial Information") as per the Guidance Note.

   Audit of the consolidated financial statements for the years ended March 31, 2017, 2016, 2015 and 2014 was conducted by previous auditors, M/s A.C. Mehta & Co., Chartered Accountants, who vide their reports dated August 24, 2017, August 26, 2016, August 28, 2015 and August 25, 2014 respectively expressed an unmodified opinion on the same. Accordingly reliance has been placed on the consolidated financial information examined by them for the said years. The financial information included for the years ended March 31, 2017, 2016, 2015, and 2014 are based solely on the reports submitted by them.

5. The audit reports on the consolidated financial statements issued by previous auditors included following other matter:

   a) We did not audit financial statements of subsidiary, whose share of total assets, total revenues and net cash inflows / (outflows) included in the Restated Consolidated Financial Information, for the relevant years is tabulated below:

(Rs. in million)

Particulars	As at/ For the year ended March 31, 2018*	As at/ For the year ended March 31, 2017	As at / For the year ended March 31, 2016	As at/ For the year ended March 31, 2015	As at/ For the year ended March 31, 2014
Total assets	0.00	5.74	4.38	3.85	2.86
Total revenue	2.13	1.90	1.75	1.63	0.08
Net cash inflow/ (outflow)	1.60	1.35	1.20	0.34	0.05

* Subsidiary ceased to exist on March 08, 2018.

6. The audit report on the Consolidated financial Statements issued by us includes these other matters

   a) The audit of the subsidiary financials has not been carried out by us.

   b) We did not audit the Comparative Financial Information for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with the Ind AS included in these Restated Consolidated Financial Statements which have been audited by predecessor auditor and have been relied upon by us. The report of the predecessor auditor on these comparative financial information dated 24 August, 2017 and 26 August, 2016 respectively.

   Our report is not modified in respect of these matters.

7. These other auditors, as mentioned in paragraphs 4 (of the Company/Group and subsidiary) have confirmed that the consolidated financial information for the above mentioned period/years:

   a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate and do not contain any qualification requiring adjustments;

c) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Financial Information;

d) do not contain any exception item that needed to be disclosed separately;

e) with respect to the proforma Ind AS financial statements as at and for the years ended March 31, 2016, 2015 and 2014 the proforma Ind AS financial statements have been prepared by making appropriate Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended March 31, 2015, 2014 and 2013 as mentioned in Note 2 (a) of Annexure V;

8. In accordance with the requirements of Section 26 of part I of Chapter III of the Act read with, ICDR Regulations and the Guidance Note and based on our examination, we report that:

a) The Restated Consolidated Statement of Assets and Liabilities of the Group, including as at March 31, 2018, 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure- I to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI: Restated Statement of Consolidated Adjustments to the Audited Consolidated Financial Statements.

b) The Restated Consolidated Statement of Profit and Loss (including other comprehensive income) of the Group for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure II to this report have been arrived at after making adjustments and regrouping/ reclassifications as in our opinion were appropriate and more fully described in Annexure VI: Restated Statement of Consolidated Adjustments to the Audited Consolidated Financial Statements.

c) The Restated Consolidated Statement of Cash Flows of the Group, including for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure IV to this report have been arrived at after making adjustments and regrouping/ reclassifications as in our opinion were appropriate and more fully described in Annexure VI: Restated Statement of Consolidated Adjustments to the Audited Consolidated Financial statements.

d) The restated Consolidated Statement of Changes in Equity of the Group for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure III to this report have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI: Statement on Adjustments to the Audited Consolidated Financial Statements

e) Based on above and according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, we further report that the Restated Consolidated Financial Information:

(i) have been made after incorporating adjustments for changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

(ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

(iii) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Financial Information;

(iv) do not contain any exception item that needs to be disclosed separately;

(v) does not contain any adverse remarks/comments in the Companies (Auditor's Report) Order, 2003 / Companies (Auditor's Report) Order 2015 / Companies (Auditor's Report) Order 2016 ('the Order') issued by the Central Government of India (together referred to as 'CARO').

(vi) There are no qualifications in the auditor's reports on the audited consolidated financial statements of the Group as at and for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 which require any adjustments to the Restated Consolidated Financial Information.

9. We have also examined the following restated consolidated financial information of the Group set out in the Annexures prepared by the Management and approved by the Board of Directors on August 18, 2018 as at and for the year ended March 31, 2018, 2017, 2016, 2015 and 2014. In respect of the years ended March 31, 2017, 2016, 2015 and 2014, our examination was based upon the financial statements audited and reported by M/s A.C. Mehta & Co., Chartered Accountants and relied upon by us :

a) Statement of Restated Consolidated Property, plant and equipment included in Note 3 to Annexure V;
b) Statement of Restated Consolidated Other Intangible assets included in Note 4 to Annexure V;
c) Statement of Restated Consolidated Non-Current Investments

included in Note 5 to Annexure V;

d) Statement of Restated Consolidated Inventories included in Note 6 to Annexure V;

e) Statement of Restated Consolidated Trade Receivables included in Note 7 to Annexure V;

f) Statement of Restated Consolidated Cash and Cash Equivalents included in Note 8 to Annexure V;

g) Statement of Restated Consolidated Other Bank Balances included in Note 9 to Annexure V;

h) Statement of Restated Consolidated Other Financial Assets and Other Current Assets included in Note 10 & 11 to Annexure V;

i) Statement of Restated Consolidated Share Capital included in Note 12 to Annexure V;

j) Statement of Restated Consolidated Other Equity included in Note 13 to Annexure V;

k) Statement of Restated Consolidated Non-controlling interests included in Note 13 to Annexure V;

l) Statement of Restated Consolidated Non-Current Borrowings & Current Borrowings included in Note 14 & 18 to Annexure V;

m) Statement of Restated Consolidated Deferred Tax Liabilities (net) included in Note 17 to Annexure V;

n) Statement of Restated Consolidated Other Non-Current Financial Liabilities & Non - Current Provisions included in Note 15 & 16 to Annexure V;

o) Statement of Restated Consolidated Trade Payables included in Note 19 to Annexure V;

p) Statement of Restated Consolidated Other Current Financial Liabilities and Other Current Liabilities included in Note 20 & 21 to Annexure V;

q) Statement of Restated Consolidated Current Provisions included in Note 22 to Annexure V;

r) Statement of Restated Consolidated Current Tax Liabilities included in Note 23 to Annexure V;

s) Statement of Restated Consolidated Revenue from Operations included in Note 24 to Annexure V;

t) Statement of Restated Consolidated Other Income included in Note 25 to Annexure V;

u) Statement of Restated Consolidated Cost of Material consumed included in Note 26 to Annexure V;

v) Statement of Restated Consolidated Increase/ Decrease in Inventories of Finished Goods and Work-in- Progress included in Note 27 to Annexure V;

w) Statement of Restated Consolidated Employee Benefit Expenses included in Note 28 to Annexure V;

x) Statement of Restated Consolidated Finance Costs included in Note 29 to Annexure V;

y) Statement of Restated Consolidated Depreciation & Amortisation Expenses included in Note 30 to Annexure V;

z) Statement of Restated Consolidated Other Expenses included in Note 31 to Annexure V;

aa) Statement of Restated Consolidated Earning per Share included in Note 32 to Annexure V;

bb) Statement of Restated Consolidated dues to Micro and Small Enterprises included in Note 33 to Annexure V;
cc) Statement of Restated Consolidated statement of segment information included in Note 34 to Annexure V;
dd) Statement of Restated Consolidated statement of Disclosure related to Corporate Social responsibility Expense included in Note 35 to Annexure V;
ee) Statement of Restated Consolidated statement of Related party Transactions included in Note 36 to Annexure V;
ff) Statement of Restated Consolidated statement of Commitments and Contingencies included in Note 37 to Annexure V;
gg) Statement of Restated Consolidated statement of Employee Benefits included in Note 38 to Annexure V;
hh) Statement of Restated Consolidated statement of Fair Values included in Note 39 to Annexure V;
ii) Statement of Restated Consolidated statement of Financial Risk management included in Note 40 to Annexure V;
jj) Statement of Restated Consolidated statement of Capital management included in Note 41 to Annexure V;
kk) Statement of Restated Consolidated statement of Significant accounting judgments, estimates and assumptions included in Note 42 to Annexure V;
ll) Statement of Restated Consolidated statement of Dividend made and proposed included in Note 43 to Annexure V;
mm) Statement of Restated Consolidated statement of Interest in other entities included in Note 44 to Annexure V;
nn) Restatement adjustments to Audited Consolidated Financial Statements included in Annexure VI;
oo) Statement on Restated Consolidated Statement of Accounting Ratios included in Annexure VII;
pp) Statement on Restated Consolidated Capitalisation Statement included in Annexure VIII.

Opinion

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, in our opinion, the Restated Consolidated Financial Information and the above restated financial information contained in Annexure I to Annexure VIII accompanying this report read with Summary of Significant Accounting Policies as disclosed in Annexure V are prepared after making adjustments and regroupings/ reclassifications as considered appropriate (Refer Annexure- VI) and have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Management for inclusion in the offer document to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the proposed IPO of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

FOR RAJAN CHHABRA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No: 009520N

CA RAJAN CHHABRA
PARTNER
Membership No: 088276
Date: August 18th, 2018
Place: Faridabad

STUDDS ACCESSORIES LIMITED
CIN: U25208HR1983PLC015135
Annexure- I Restated Consolidated Statement of Assets and Liabilities

(Rs. in million)

Particulars	Note No.	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
ASSETS						
Non-Current Assets						
Property Plant & Equipment	3	**1,246.82**	805.50	746.69	620.31	550.38
Capital Work in Progress		**61.49**	6.53	0.06	-	8.81
Goodwill on Consolidation		**-**	2.41	2.41	2.41	2.41
Other Intangible Assets	4	**4.42**	4.41	4.22	3.86	3.27
Financial Assets						
- Non-Current Investments	5	**0.03**	0.06	0.06	0.07	0.08
Total Non-Current Assets		**1,312.76**	**818.91**	**753.44**	**626.65**	**564.95**
Current Assets						
Inventories	6	**126.71**	109.90	78.25	53.30	45.95
Financial Assets						
- Trade Receivables	7	**121.85**	39.68	84.36	45.32	43.11
- Cash & Cash Equivalents	8	**171.44**	101.56	83.65	163.83	71.52
- Other Bank Balances	9	**468.61**	319.25	206.78	3.18	2.97
- Other Financial Assets	10	**8.22**	8.27	8.06	4.59	4.29
Other Current Assets	11	**18.74**	24.36	23.32	14.73	22.64
Total Current Assets		**915.57**	**603.02**	**484.42**	**284.95**	**190.48**
Total Assets		**2,228.33**	**1,421.93**	**1,237.86**	**911.60**	**755.43**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	12	**10.93**	10.93	10.93	10.93	10.93
Other Equity	13	**1,175.95**	863.48	627.14	398.79	302.43
Total Equity attributable to owners of the company		**1,186.88**	**874.41**	**638.07**	**409.72**	**313.36**
Non Controlling Interest	13	**-**	0.04	0.03	0.02	0.01
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
- Non-Current Borrowings	14	**3.51**	24.75	24.30	45.70	58.08
- Other Non-Current Financial Liabilities	15	**262.23**	14.79	13.41	11.06	9.53
Non-Current Provisions	16	**11.10**	9.84	8.28	5.99	4.35
Deferred Tax Liability (Net)	17	**96.22**	82.79	65.25	48.91	39.51
Total Non-Current Liabilities		**373.06**	**132.17**	**111.24**	**111.66**	**111.47**
Current Liabilities						
Financial Liabilities						
- Current Borrowings	18	**-**	-	-	14.46	12.05
- Trade Payables	19	**344.21**	254.18	281.21	236.46	212.60
- Other Current Financial Liabilities	20	**221.43**	114.73	103.98	96.17	77.73
Other Current Liabilities	21	**47.60**	27.35	30.38	16.69	15.66
Current Provisions	22	**7.08**	7.05	5.97	5.01	4.69
Current Tax Liabilities (Net)	23	**48.06**	12.00	66.98	21.41	7.86
Total Current Liabilities		**668.39**	**415.31**	**488.52**	**390.20**	**330.59**
Total Liabilities		**1,041.45**	**547.48**	**599.76**	**501.86**	**442.06**
Total Equity and Liabilities		**2,228.33**	**1,421.93**	**1,237.86**	**911.60**	**755.43**

Significant Accounting Policies — Note 2 of Annexure V

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

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Director
DIN:00172770

Sidhartha Bhushan Khurana
Director
DIN: 00172788

S.D.CHOUDHRY
Director
DIN: 07094705

Place: Faridabad
Date: 18th August, 2018

Manish Mehta
Chief Financial Officer

Kanika Bhutani
Company Secretary

Place: Faridabad
Date: 18th August, 2018

STUDDS ACCESSORIES LIMITED
CIN: U25208HR1983PLC015135
Annexure-II Restated Consolidated Statement of Profit and Loss

(Rs. in million)

Particulars	Note No.	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017	For the year ended 31-Mar-2016 Proforma	For the year ended 31-Mar-2015 Proforma	For the year ended 31-Mar-2014 Proforma
Income						
Revenue from Operations	24	**3,364.44**	3,091.25	2,919.34	2,058.17	1,734.26
Other Income	25	**49.88**	21.98	12.67	2.90	1.21
Total Revenue		**3,414.32**	**3,113.23**	**2,932.01**	**2,061.06**	**1,735.47**
Expenses						
Cost of Material Consumed	26	**1,528.56**	1,258.11	1,196.23	937.21	811.63
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	27	**6.38**	(19.63)	(6.74)	(0.15)	(1.99)
Excise Duty on sale of goods		**87.18**	368.54	351.32	249.38	211.75
Employee Benefit Expense	28	**318.82**	271.17	219.54	160.17	137.86
Finance Cost	29	**3.47**	3.61	5.18	9.73	11.57
Depreciation and Amortisation Expense	30	**57.39**	52.23	38.29	33.36	25.58
Other Expenses	31	**901.30**	810.55	740.16	509.41	425.90
Total		**2,903.10**	**2,744.60**	**2,543.99**	**1,899.10**	**1,622.30**
Profit before Tax		**511.22**	**368.63**	**388.02**	**161.96**	**113.18**
Tax Expense:						
Current Tax		**172.67**	113.49	123.91	47.69	27.19
Deferred Tax		**13.43**	17.54	16.34	9.41	10.48
Tax relating to earlier periods		**0.46**	0.13	0.86	0.12	0.55
Total Tax Expense		**186.55**	**131.17**	**141.10**	**57.22**	**38.23**
Profit for the year		**324.66**	**237.47**	**246.92**	**104.75**	**74.95**
Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plans		**(0.52)**	0.31	(0.22)	(0.06)	0.69
Income tax effect		**0.18**	(0.11)	0.08	0.02	(0.23)
Total other comprehensive income		**(0.34)**	**0.20**	**(0.14)**	**(0.04)**	**0.47**
Total Comprehensive Income for the year		**324.32**	**237.67**	**246.78**	**104.71**	**75.42**
Profit after Tax attributable to:						
Owners of the Company		**324.65**	237.46	246.91	104.74	74.95
Non-controlling Interest		**0.01**	0.01	0.01	0.01	(0.00)
Other Comprehensive Income attributable to:						
Owners of the Company		**(0.34)**	0.20	(0.14)	(0.04)	0.47
Non-controlling Interest		**-**	-	-	-	-
Total Comprehensive Income attributable to:						
Owners of the Company		**324.31**	237.66	246.77	104.70	75.42
Non-controlling Interest		**0.01**	0.01	0.01	0.01	(0.00)
Earnings per share (face value Rs. 5/-)	32					
- Basic EPS (in Rs.)		**16.50**	12.07	12.55	5.32	3.81
- Diluted EPS (in Rs.)		**16.50**	12.07	12.55	5.32	3.81

Significant Accounting Policies — Note 2 of Annexure V

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

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Director
DIN:00172770

Sidhartha Bhushan Khurana
Director
DIN: 00172788

S.D.CHOUDHRY
Director
DIN: 07094705

Place: Faridabad
Date: 18th August, 2018

Manish Mehta
Chief Financial Officer

Kanika Bhutani
Company Secretary

Place: Faridabad
Date: 18th August, 2018

STUDDS ACCESSORIES LIMITED
CIN: U25208HR1983PLC015135
Annexure-III Restated Consolidated Statement of Changes in Equity

(i) Equity Share Capital (Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-16 Proforma	As at 31-Mar-14 Proforma
Equity share of Rs.10/- each					
Balance at the beginning of the year	**10.93**	10.93	10.93	10.93	10.93
Movement during the year	-	-	-	-	-
Balance at the end of the year	**10.93**	**10.93**	**10.93**	**10.93**	**10.93**

(ii) Other Equity (Rs. in million)

Particulars	Reserves and surplus			Other Equity attributable to Owners	Non Controlling Interest
	Securities Premium	General Reserves	Retained Earnings		
As at April 01, 2013 (Proforma)	6.83	46.57	179.20	232.60	0.01
Profit for the year	-	-	74.95	74.95	(0.00)
Other Comprehensive Income (net of tax)	-	-	0.47	0.47	-
Transfer to General Reserve	-	8.00	(8.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(5.59)	(5.59)	-
As at March 31, 2014 (Proforma)	**6.83**	**54.57**	**241.03**	**302.43**	**0.01**
As at April 01, 2014 (Proforma)	6.83	54.57	241.03	302.43	0.01
Profit for the year	-	-	104.74	104.74	0.01
Other Comprehensive Income (net of tax)	-	-	(0.04)	(0.04)	-
Transfer to General Reserve	-	11.00	(11.00)	-	-
Adjustment for Assets NIL remaining life as on 01.04.2014	-	(2.20)	-	(2.20)	-
Dividend & Dividend Distribution Tax	-	-	(6.14)	(6.14)	-
As at March 31, 2015 (Proforma)	**6.83**	**63.37**	**328.60**	**398.79**	**0.02**
As at April 01, 2015 (Proforma)	6.83	63.37	328.60	398.79	0.02
Profit for the year	-	-	246.91	246.91	0.01
Other Comprehensive Income (net of tax)	-	-	(0.14)	(0.14)	-
Transfer to General Reserve	-	30.00	(30.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(9.21)	(9.21)	-
Dividend & Dividend Distribution Tax (Interim Dividend)	-	-	(9.21)	(9.21)	-
As at March 31, 2016 (Proforma)	**6.83**	**93.37**	**526.94**	**627.14**	**0.03**
As at April 01, 2016	6.83	93.37	526.94	627.14	0.03
Profit for the year	-	-	237.46	237.46	0.01
Other Comprehensive Income (net of tax)	-	-	0.20	0.20	-
Transfer to General Reserve	-	30.00	(30.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(1.32)	(1.32)	-
As at March 31, 2017	**6.83**	**123.37**	**733.29**	**863.48**	**0.04**
As at April 01, 2017	6.83	123.37	733.29	863.48	0.04
Profit for the year	-	-	324.65	324.65	0.01
Other Comprehensive Income (net of tax)	-	-	(0.34)	(0.34)	-
Transfer to General Reserve	-	40.00	(40.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(11.84)	(11.84)	-
Derecognition of Non-controlling Interest	-	-	-	-	(0.05)
As at March 31, 2018	**6.83**	**163.37**	**1,005.76**	**1,175.95**	**-**

The above statement should be read together with significant accounting policies in Annexure V, restatement adjustments to audited consilidated financial statements in Annexure VI and notes to the restated 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: 18th August, 2018

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Director
DIN:00172770

Sidhartha Bhushan Khurana
Director
DIN: 00172788

S.D.CHOUDHRY
Director
DIN: 07094705

Manish Mehta
Chief Financial Officer

Kanika Bhutani
Company Secretary

Place: Faridabad
Date: 18th August, 2018

STUDDS ACCESSORIES LIMITED
CIN: U25208HR1983PLC015135
Annexure-IV Restated Consolidated Statement of Cash Flows

(Rs. in million)

Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017	For the year ended 31-Mar-2016 Proforma	For the year ended 31-Mar-2015 Proforma	For the year ended 31-Mar-2014 Proforma
A Cash Flow from Operating Activities					
Profit before Tax	**511.22**	**368.63**	**388.02**	**161.96**	**113.18**
Adjustments for:					
Depreciation and Amortisation Expense	**57.39**	52.23	38.29	33.36	25.58
(Gain)/Loss in change in fair value of financial instruments	**0.04**	(0.01)	0.02	0.00	0.02
Finance Cost	**3.47**	3.61	5.18	9.73	11.57
Rent Income	**(2.22)**	(2.06)	(1.92)	(1.80)	(0.02)
Interest Income	**(28.31)**	(18.15)	(8.84)	(0.29)	(0.35)
Profit on Sale of Investments	**(17.60)**	-	-	-	-
Loss on sale of Property, Plant and Equipment	**0.15**	1.73	0.09	0.47	0.48
Other Income	**(1.74)**	(1.77)	(1.84)	(0.81)	(0.78)
Operating Profit before working Capital changes	**522.38**	**404.25**	**419.01**	**202.63**	**149.66**
Working capital adjustments:					
Movement in trade & other payables	**134.04**	(17.09)	83.05	51.87	44.46
Movement in trade & other receivables	**(76.49)**	43.42	(51.10)	5.41	17.03
Movement in inventories	**(16.81)**	(31.65)	(24.94)	(7.35)	(5.56)
Cash Generated from Operations	**563.13**	**398.92**	**426.02**	**252.55**	**205.60**
Direct Taxes Paid and Taxes earlier years	**(136.88)**	(168.39)	(78.10)	(33.95)	(19.55)
Net Cash Flow from Operating Activities (A)	**426.25**	**230.54**	**347.92**	**218.60**	**186.04**
B Cash Flow from Investing Activities					
Purchases of Property, Plant and Equipment (PPE)	**(228.92)**	(120.73)	(167.12)	(99.28)	(120.67)
Sale proceeds from sale of PPE	**0.14**	1.29	1.94	1.53	0.35
Sale proceeds from sale of Investments	**26.49**	-	-	-	-
(Investment) In Fixed Deposits/Maturity	**(149.36)**	(112.46)	(203.61)	(0.21)	5.00
Rent Received	**2.22**	2.06	1.92	1.80	0.02
Interest Received	**28.31**	18.15	8.84	0.29	0.35
Other Income Received	**1.74**	1.77	1.84	0.81	0.78
Net Cash Flow from Investing Activities (B)	**(319.38)**	**(209.92)**	**(356.19)**	**(95.06)**	**(114.16)**
C Cash Flow from Financing Activities					
Proceeds/(Repayment) from Non-Current Borrowings (Net)	**(21.10)**	2.18	(33.96)	(17.76)	(0.94)
Proceeds/(Repayment) from Current Borrowings (Net)	**-**	-	(14.46)	2.41	(12.65)
Dividend Including Dividend Distribution Tax	**(11.69)**	(1.27)	(18.31)	(6.17)	(5.64)
Interest Paid	**(3.47)**	(3.61)	(5.18)	(9.73)	(11.57)
Net Cash Flow from Financing Activities (C)	**(36.26)**	**(2.70)**	**(71.91)**	**(31.24)**	**(30.80)**
Net increase in Cash and Cash Equivalents (A+B+C)	**70.60**	**17.91**	**(80.18)**	**92.31**	**41.08**
Cash and Cash Equivalent at the beginning of the year	**101.56**	83.65	163.83	71.52	30.44
Less: Opening Cash and Cash Equivalent of MG Steel Limited disposed during the year 2017-18*	**0.72**	-	-	-	-
Net Cash and Cash Equivalent at the beginning of the year	**100.84**	**83.65**	**163.83**	**71.52**	**30.44**
Cash and Cash Equivalent at the end of the year	**171.44**	**101.56**	**83.65**	**163.83**	**71.52**

Amendments to Ind AS 7

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

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

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

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

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 "Statement ofCash Flow"
(ii) During the year the Company spent Rs. 6.20 million on CSR Expenses in accordance with the provision of the Companies Act, 2013
(iii) Cash and Cash Equivalents includes Bank Balances and Cash in hand as per Note No. 8
(iv) Figures in bracket represents cash outflow

As per our report of even date attached

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

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

CA RAJAN CHHABRA
Partner
M No. : 088276

Madhu Bhushan Khurana
Director
DIN:00172770

Sidhartha Bhushan Khurana
Director
DIN: 00172788

S.D.CHOUDHRY
Director
DIN: 07094705

Place: Faridabad
Date: 18th August, 2018

Manish Mehta
Chief Financial Officer

Kanika Bhutani
Company Secretary

Place: Faridabad
Date: 18th August, 2018

1. Corporate Information

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

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

2. Significant Accounting Policies

(a) Statement of Compliance

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

The Group has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated consolidated financial information for the years ended March 31, 2016, 2015 and 2014 has been prepared on Proforma basis (i.e. "Proforma Consolidated Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS consolidated financial information for the years ended March 31, 2016, 2015 and 2014, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2016. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Consolidated financial information as of and for the years ended March 31, 2016, 2015 and 2014following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 01, 2016).

The Restated Financial Information (including Restated Consolidated Ind AS financial information for the years ended March 31, 2018 and March 31, 2017 and Restated Consolidated Proforma Ind AS financial information for the year ended March 31, 2016, 2015 and 2014) have been compiled by the Company from the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2018, March 31, 2017 prepared under Ind AS and for the years ended March 31, 2016, 2015 and 2014 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').

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

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Restated Shareholders' equity as at March 31, 2017, 2016, 2015 and 2014 and of the Restated Statement of Profit and loss and other comprehensive Income for the year ended March 31, 2017, 2016, 2015 and 2014. Reconciliation of the same is disclosed in Annexure-VI.

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an Initial Public offer, to be filed by the Company with SEBI, in accordance with the requirements of:

(i) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and

(ii) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").

(iii) Guidance note on reports in company prospectuses.

These Restated 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 Restated 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 Restated 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 Restated Standalone Financial Information. Accounting policies of consolidated companies have been changed where necessary to ensure consistency with the policies adopted by the group.

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

Subsidiaries

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

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

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

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

Changes in Ownership Interests

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

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

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

Particulars of Subsidiary Company consolidated

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

(c) Going Concern

The Board of Directors have considered the financial position of the Group at 31 March 2018 and the projected cash flow and financial performance of the group for at least twelve months from the date of approval of these Restated 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 restated consolidated statement of assets and liabilities based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

(e) Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

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

(f) Revenue Recognition

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

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

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

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

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

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

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

(g) Foreign Currency

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

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

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

(h) Property, Plant and Equipment

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

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

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

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

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

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

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

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

(i) Intangible Assets

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

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

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

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

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

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

(j) Borrowing Costs

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

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

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

(k) Inventories

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

Raw Materials are recorded at cost on a weighted averagecost 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 attributableproportion 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.

Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Post-Employment Obligations

Defined Benefit Plans
The 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.

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

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

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

(n) Cash and Cash Equivalents

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

(o) Taxes

Taxes comprise current income tax and deferred tax.

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

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

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

For leases of both land and building elements, the group has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 01, 2016) to Ind AS on the basis of the facts and circumstances existing as at that date. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2016, 2015 and 2014, the group has continued with the existing assessment on the date of transition (i.e. April 01, 2016).

Group as a lessee
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the group is classified as a finance lease. All other leases are classified as operating lease.
Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors 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 restated consolidated financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the restated 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 groupirrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

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

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

Trade & Other Receivables
Trade receivables are 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 financialliability and an equity instrument.

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

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

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

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

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

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

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

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

(t) Dividends

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

Note No: 3 Property Plant & Equipment

(Rs. in million)

Description	Freehold Land	Buildings#	Plant & Machinery	Furniture & Fittings	Office Appliances	Computers	Vehicles	Total
Cost or Valuation								
As at 01 April 2013 (Proforma)	**91.82**	**150.97**	**286.98**	**2.75**	**4.76**	**4.64**	**14.58**	**556.49**
Additions	19.31	28.06	55.46	0.71	1.77	1.02	3.61	109.94
Disposals/write off	-	-	0.45	-	0.01	-	1.08	1.54
As at 31 March 2014 (Proforma)	**111.13**	**179.03**	**341.99**	**3.46**	**6.53**	**5.66**	**17.10**	**664.89**
Additions*	6.56	7.51	81.93	6.48	0.27	0.51	3.55	106.80
Disposals/write off	-	-	0.38	-	-	-	3.86	4.23
As at 31 March 2015 (Proforma)	**117.69**	**186.54**	**423.54**	**9.94**	**6.79**	**6.16**	**16.80**	**767.46**
Additions	-	-	155.97	-	0.46	0.55	8.71	165.70
Disposals/write off	1.82	0.10	0.13	-	-	-	-	2.06
As at 31 March 2016 (Proforma)	**115.86**	**186.44**	**579.38**	**9.94**	**7.25**	**6.72**	**25.51**	**931.10**
Accumulated Depreciation								
As at 01 April 2013 (Proforma)	**-**	**5.65**	**75.25**	**0.59**	**0.71**	**3.03**	**4.76**	**90.00**
Charge for the year	-	2.60	20.17	0.21	0.28	0.49	1.48	25.23
Disposals/write off	-	-	0.10	-	0.00	-	0.61	0.71
As at 31 March 2014 (Proforma)	**-**	**8.25**	**95.32**	**0.81**	**0.99**	**3.52**	**5.63**	**114.52**
Charge for the year	-	6.04	22.04	0.70	1.59	0.70	1.59	32.66
Disposals/write off	-	-	0.06	-	-	-	2.17	2.23
Adjustment during year**	-	-	2.04	0.02	0.15	-	-	2.20
As at 31 March 2015 (Proforma)	**-**	**14.29**	**119.33**	**1.53**	**2.73**	**4.22**	**5.06**	**147.15**
Charge for the year	-	2.41	28.70	0.96	1.40	0.78	3.04	37.29
Disposals/write off	-	-	0.04	-	-	-	-	0.04
As at 31 March 2016 (Proforma)	**-**	**16.70**	**148.00**	**2.50**	**4.12**	**5.00**	**8.09**	**184.41**
Net Book Value								
As at 31 March 2016 (Proforma)	115.86	169.74	431.38	7.44	3.13	1.72	17.42	746.69
As at 31 March 2015 (Proforma)	117.69	172.25	304.21	8.41	4.07	1.95	11.74	620.31
As at 31 March 2014 (Proforma)	111.13	170.78	246.67	2.65	5.54	2.14	11.47	550.38
Deemed Cost								
As at 01 April 2016	**115.86**	**169.74**	**431.38**	**7.44**	**3.13**	**1.72**	**17.42**	**746.69**
Additions	-	-	97.69	4.62	0.91	0.49	9.22	112.93
Disposals/write off	-	-	0.10	-	0.02	-	3.20	3.33
As at 31 March 2017	**115.86**	**169.74**	**528.97**	**12.07**	**4.01**	**2.21**	**23.44**	**856.30**
Additions	436.20	-	60.72	1.56	0.59	0.69	-	499.76
Disposals/write off	-	-	-	-	0.07	-	0.44	0.51
Disposal of Subsidiary#*	0.16	1.90	-	-	-	-	-	2.06
As at 31 March 2018	**551.91**	**167.84**	**589.69**	**13.63**	**4.53**	**2.90**	**23.00**	**1,353.49**
Accumulated Depreciation								
As at 01 April 2016	-	-	-	-	-	-	-	-
Charge for the year	-	6.31	38.41	1.21	1.45	0.63	3.10	51.10
Disposals/write off	-	-	0.00	-	0.00	-	0.30	0.30
As at 31 March 2017	**-**	**6.31**	**38.40**	**1.21**	**1.44**	**0.63**	**2.80**	**50.80**
Charge for the year	-	6.17	43.19	1.46	1.31	0.65	3.30	56.09
Disposals/write off	-	-	-	-	0.02	-	0.20	0.22
As at 31 March 2018	**-**	**12.48**	**81.60**	**2.67**	**2.73**	**1.28**	**5.91**	**106.67**
Net Book Value								
As at 31 March 2018	**551.91**	**155.36**	**508.09**	**10.96**	**1.80**	**1.62**	**17.09**	**1,246.82**
As at 31 March 2017	115.86	163.43	490.57	10.86	2.57	1.58	20.63	805.50

* Includes EDC Charges of Rs. 2.76 million have been capitalised in Land during the year 2014-15
** Adjustment for Assets NIL remaining life as on 01.04.2014
# Includes building given on lease
#* During the year 2017-18, the Company has sold its entire investments in subsidiary company (i.e. MG Steel Limited) (Refer Note No. 45)
Certain borrowings of the Company have been secured against Property, Plant and Equipment (Refer Note No. 14 & 18)

Note No: 4 Other Intangible Assets

(Rs. in million)

Description	Computer Software	Trademark	Total
Cost or Valuation			
As at 01 April 2013 (Proforma)	**2.67**	**0.10**	**2.77**
Additions	2.34	-	2.34
Disposals/write off	-	-	-
As at 31 March 2014 (Proforma)	**5.00**	**0.10**	**5.10**
Additions	1.29	-	1.29
Disposals/write off	-	-	-
As at 31 March 2015 (Proforma)	**6.29**	**0.10**	**6.39**
Additions	1.36	-	1.36
Disposals/write off	-	-	-
As at 31 March 2016 (Proforma)	**7.65**	**0.10**	**7.75**
Accumulated Depreciation			
As at 01 April 2013 (Proforma)	**1.42**	**0.06**	**1.48**
Charge for the year	0.35	0.00	0.36
Disposals/write off	-	-	-
As at 31 March 2014 (Proforma)	**1.77**	**0.06**	**1.83**
Charge for the year	0.69	0.00	0.70
Disposals/write off	-	-	-
As at 31 March 2015 (Proforma)	**2.46**	**0.07**	**2.53**
Charge for the year	1.00	0.00	1.00
Disposals/write off	-	-	-
As at 31 March 2016 (Proforma)	**3.46**	**0.07**	**3.53**
Net Book Value			
As at 31 March 2016 (Proforma)	4.19	0.03	4.22
As at 31 March 2015 (Proforma)	3.83	0.03	3.86
As at 31 March 2014 (Proforma)	3.23	0.04	3.27
Deemed Cost			
As at 01 April 2016	**4.19**	**0.03**	**4.22**
Additions	1.33	-	1.33
Disposals/write off	-	-	-
As at 31 March 2017	**5.52**	**0.03**	**5.55**
Additions	1.31	-	1.31
Disposals/write off	-	-	-
As at 31 March 2018	**6.83**	**0.03**	**6.86**
Accumulated Depreciation			
As at 01 April 2016	**-**	**-**	**-**
Charge for the year	1.14	-	1.14
Disposals/write off	-	-	-
As at 31 March 2017	**1.14**	**-**	**1.14**
Charge for the year	1.30	-	1.30
Disposals/write off	-	-	-
As at 31 March 2018	**2.43**	**-**	**2.43**
Net Book Value			
As at 31 March 2018	**4.39**	**0.03**	**4.42**
As at 31 March 2017	4.38	0.03	4.41

Note No: 5 Non Current Investments

(Rs. in million)

Particulars	Face Value	As at 31-Mar-18 No. of Shares	As at 31-Mar-18 Amount	As at 31-Mar-17 No. of Shares	As at 31-Mar-17 Amount	As at 31-Mar-16 No. of Shares (Proforma)	As at 31-Mar-16 Amount (Proforma)	As at 31-Mar-15 No. of Shares (Proforma)	As at 31-Mar-15 Amount (Proforma)	As at 31-Mar-14 No. of Shares (Proforma)	As at 31-Mar-14 Amount (Proforma)
A. In Others - At FVTPL											
- Bank of Maharashtra	10/-	1,900	0.03	1,900	0.06	1,900	0.06	1,900	0.07	1,900	0.08
Total		**1,900**	**0.03**	**1,900**	**0.06**	**1,900**	**0.06**	**1,900**	**0.07**	**1,900**	**0.08**
Aggregate Value of Unquoted Investments			**-**		-		-		-		-
Aggregate Value of Quoted Investments			**0.03**		0.06		0.06		0.07		0.08
Aggregate Market Value of Quoted Investments			**0.03**		0.06		0.06		0.07		0.08
Aggregate Amount of Impairment in Value of Investments			**-**		-		-		-		-

Note No: 6 Inventories

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Raw Materials	**95.03**	71.84	59.81	41.61	34.41
Finished Goods	**28.47**	35.03	15.92	9.69	9.54
Work in Progress	**3.21**	3.03	2.51	2.00	2.00
Total	**126.71**	**109.90**	**78.25**	**53.30**	**45.95**

Certain borrowings of the Company have been secured against Inventories (Refer Note No. 14 & 18)
Valued at lower of cost and net realisable value - for further details refer Note 2 (k) of Accounting Policies(Annexure V)

Note No: 7 Trade Receivables

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
From Others*					
- Secured, considered good	**0.09**	0.03	0.04	0.05	0.09
- Unsecured, considered good	**121.77**	39.65	84.31	45.27	43.03
Total	**121.85**	**39.68**	**84.36**	**45.32**	**43.11**

* No amount is due from Related parties
Certain borrowings of the Company have been secured against Trade Receivables (Refer Note No. 14 & 18)
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Refer Note No 40 for ageing of Trade Receivables

Note No: 8 Cash and Cash Equivalents

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Cash in hand	**0.01**	0.08	0.17	0.15	0.06
Balances with Bank					
- in current accounts	**171.43**	101.48	83.49	163.68	71.46
Total	**171.44**	**101.56**	**83.65**	**163.83**	**71.52**

Note No: 9 Other Bank Balances

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Balances with Bank					
-in Deposit having maturity for more than 3 months but less than 12 months	**468.10**	318.89	206.47	2.98	2.75
,-in Unpaid Dividend account	**0.51**	0.36	0.31	0.20	0.22
Total	**468.61**	**319.25**	**206.78**	**3.18**	**2.97**

Note No: 10 Other Financial Assets

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Carried at Amortised Cost					
Unsecured, considered good					
Advances to employees	**1.04**	1.45	0.60	0.41	0.32
Security deposits	**7.18**	6.82	7.35	3.40	3.38
Insurance claim receivable	**-**	-	0.11	0.11	0.56
Other assets	**-**	-	-	0.67	0.03
Total	**8.22**	**8.27**	**8.06**	**4.59**	**4.29**

Note No: 11 Other Current Assets

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Unsecured, considered good					
Advance to Vendors	**12.37**	6.94	4.98	5.10	12.24
EDC Charges paid under protest*	**-**	-	-	-	2.76
Duty Drawback receivable	**0.33**	0.18	0.15	0.37	0.25
Prepaid Expenses	**2.81**	3.51	1.60	0.64	0.65
Balance of Modvat/Cenvat	**3.22**	13.73	16.60	8.62	6.74
Other assets	**-**	-	-	0.01	0.00
Total	**18.74**	**24.36**	**23.32**	**14.73**	**22.64**

*EDC Charges have been capitalised in Land during the year 2014-15

Note No: 12 Equity Share Capital

(Rs. in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 31-Mar-16		As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital										
Equity shares of Rs. 10/- each	**25,000,000**	**250.00**	5,000,000	50.00	5,000,000	50.00	5,000,000	50.00	5,000,000	50.00
Issued Capital										
Equity share of Rs. 10/- each	**1,200,000**	**12.00**	1,200,000	12.00	1,200,000	12.00	1,200,000	12.00	1,200,000	12.00
Subscribed and Fully Paid up*										
Equity share of Rs. 10/- each	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**

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

A. Reconciliation of Number of Equity Shares Outstanding

(Rs. in million)

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 31-Mar-16		As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**1,093,150**	**10.93**	1,093,150	10.93	1,093,150	10.93	1,093,150	10.93	1,093,150	10.93
Add: Issued during the year	**-**	**-**	-	-	-	-	-	-	-	-
Less: Cancelled during the year	**-**	**-**	-	-	-	-	-	-	-	-
Balance at the End of the Year	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**	**1,093,150**	**10.93**

B. Rights, Preferences and Restrictions attached to

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

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

Particulars	As at 31-Mar-18		As at 31-Mar-17		As at 31-Mar-16		As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of Rs 10/- each fully paid										
Madhu Bhushan Khurana	**604,660**	**55.31%**	599,340	54.83%	617,040	56.45%	616,540	56.40%	616,540	56.40%
Sidhartha Bhushan Khurana	**156,360**	**14.30%**	142,360	13.02%	118,660	10.85%	115,160	10.53%	115,160	10.53%
Chand Khurana	**91,600**	**8.38%**	90,200	8.25%	94,200	8.62%	93,200	8.53%	92,200	8.43%

STUDDS ACCESSORIES LIMITED
Annexure-V Notes to Restated Consolidated Financial Information

Note No: 13 Other Equity

(Rs. in million)

Particulars	Reserves and surplus			Other Equity attributable to Owners	Non Controlling Interest
	Securities Premium	General Reserves	Retained Earnings		
As at April 01, 2013 (Proforma)	6.83	46.57	179.20	232.60	0.01
Profit for the year	-	-	74.95	74.95	(0.00)
Other Comprehensive Income (net of tax)	-	-	0.47	0.47	-
Transfer to General Reserve	-	8.00	(8.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(5.59)	(5.59)	-
As at March 31, 2014 (Proforma)	**6.83**	**54.57**	**241.03**	**302.43**	**0.01**
As at April 01, 2014 (Proforma)	6.83	54.57	241.03	302.43	0.01
Profit for the year	-	-	104.74	104.74	0.01
Other Comprehensive Income (net of tax)	-	-	(0.04)	(0.04)	-
Transfer to General Reserve	-	11.00	(11.00)	-	-
Adjustment for Assets NIL remaining life as on 01.04.2014	-	(2.20)	-	(2.20)	-
Dividend & Dividend Distribution Tax	-	-	(6.14)	(6.14)	-
As at March 31, 2015 (Proforma)	**6.83**	**63.37**	**328.60**	**398.79**	**0.02**
As at April 01, 2015 (Proforma)	6.83	63.37	328.60	398.79	0.02
Profit for the year	-	-	246.91	246.91	0.01
Other Comprehensive Income (net of tax)	-	-	(0.14)	(0.14)	-
Transfer to General Reserve	-	30.00	(30.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(9.21)	(9.21)	-
Dividend & Dividend Distribution Tax (Interim Dividend)	-	-	(9.21)	(9.21)	-
As at March 31, 2016 (Proforma)	**6.83**	**93.37**	**526.94**	**627.14**	**0.03**
As at April 01, 2016	6.83	93.37	526.94	627.14	0.03
Profit for the year	-	-	237.46	237.46	0.01
Other Comprehensive Income (net of tax)	-	-	0.20	0.20	-
Transfer to General Reserve	-	30.00	(30.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(1.32)	(1.32)	-
As at March 31, 2017	**6.83**	**123.37**	**733.29**	**863.48**	**0.04**
As at April 01, 2017	6.83	123.37	733.29	863.48	0.04
Profit for the year	-	-	324.65	324.65	0.01
Other Comprehensive Income (net of tax)	-	-	(0.34)	(0.34)	-
Transfer to General Reserve	-	40.00	(40.00)	-	-
Dividend & Dividend Distribution Tax	-	-	(11.84)	(11.84)	-
Derecognition of Non-controlling Interest*	-	-	-	-	(0.05)
As at March 31, 2018	**6.83**	**163.37**	**1,005.76**	**1,175.95**	**-**

* During the year 2017-18, the Company has sold its investments as a result of which non-controlling interest is de-recognised (Refer Note No. 45)

STUDDS ACCESSORIES LIMITED
Annexure-V Notes to Restated Consolidated Financial Information

Note No: 14 Non-Current Borrowings

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
At Amortised Cost					
Term Loans from Banks (Secured)					
Vehicle Loan	**7.65**	11.73	9.55	4.54	4.00
Other Term Loan	**-**	-	-	38.18	56.47
Loans from Related Parties (Unsecured)					
From Directors	-	17.02	17.02	17.82	17.82
Total	**7.65**	**28.75**	**26.57**	**60.53**	**78.29**
Less: Current Maturities on Non Current Borrowings					
- Outstanding From Banks	**4.14**	4.00	2.27	14.83	20.21
Total	**4.14**	**4.00**	**2.27**	**14.83**	**20.21**
Total Non-Current Borrowings	**3.51**	**24.75**	**24.30**	**45.70**	**58.08**

Security, Interest & Repayment Details:

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Term Loan from Banks					
Bank of Maharashtra- Loan for Rs. 42 million					
Balance Outstanding					
Current Maturity	**-**	-	-	-	3.76
Non - Current Maturity	**-**	-	-	-	-

Security Terms:
Secured against Fixed Assets and personal guarantee of three Directors - Madhu Bhushan Khurana, Sidhartha Khurana and Chand Khurana

Interest Rates:
Base Rate Linked Rate

Repayment Terms:
22 Quarterly Installments of Rs. 1.91 million commenced June, 2008. Revised as per Banks letter No. 54 dated 23rd March 2009 to 19 equal quarterly installments of Rs. 1.91 million each commenced March 2010.

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Bank of Maharashtra- Loan for Rs. 15 million					
Balance Outstanding					
Current Maturity	**-**	-	-	1.73	2.50
Non - Current Maturity	**-**	-	-	-	1.72

Security Terms:
Secured against Fixed Assets and personal guarantee of three Directors - Madhu Bhushan Khurana, Sidhartha Khurana and Chand Khurana

Interest Rates:
Base Rate Linked Rate

Repayment Terms:
24 Quarterly Installments of Rs. 0.625 million commenced June, 2009. Revised as per Banks letter No. 54 dated 23rd March 2009 to equal quarterly installments of Rs. 0.625 million each commenced March 2010.

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Bank of Maharashtra- Loan for Rs. 60.75 million					
Balance Outstanding					
Current Maturity	-	-	-	12.14	12.14
Non-Current Maturity	-	-	-	24.31	36.35

Security Terms:
Secured against Fixed Assets and personal guarantee of three Directors - Madhu Bhushan Khurana, Sidhartha Khurana and Chand Khurana

Interest Rates:
Base Rate Linked Rate

Repayment Terms:
Total Loan sanctioned vide Banks Letter No. AX25 dated 28th November 2011 for Rs. 60.75 million with 20 equal quarterly instilments commencing June 2013.

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Vehicle Loan from Banks					
Balance outstanding					
Current Maturity	**4.14**	4.00	2.27	0.97	1.81
Non-current Maturity	**3.51**	7.73	7.29	3.57	2.19

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

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Term Loan from Banks					
Balance Outstanding					
Current Maturity	-	-	-	13.87	18.40
Non-current Maturity	-	-	-	24.31	38.07
Total	**-**	**-**	**-**	**38.18**	**56.47**
Vehicle Loan					
Balance Outstanding					
Current Maturity	**4.14**	4.00	2.27	0.97	1.81
Non-current Maturity	**3.51**	7.73	7.29	3.57	2.19
Total	**7.65**	**11.73**	**9.55**	**4.54**	**4.00**

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Loan from Related Parties					
Balance Outstanding					
Current Maturity	-	-	-	-	-
Non-Current Maturity	-	17.02	17.02	17.82	17.82

Interest Rate:
At current market rate of Interest

Repayment Terms:
There is no repayment schedule specified, keeping in view the past history and current business scenario, As at each balance sheet date i.e. 31/03/2017, 2016, 2015 and 2014 the Company expected that loan is not going to be repaid within next 12 months. Hence classified as Non-Current.

Aggregating amount of loan guaranteed by directors: (Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14
Term Loans	-	-	-	38.18	56.47

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

Note No: 15 Other Non-Current Financial Liabilities

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
At Amortised Cost					
Security Deposit from Dealers	**16.90**	14.79	13.41	11.06	9.53
Payables on purchase of Property, Plant & Equipment	**245.33**	-			
Total	**262.23**	**14.79**	**13.41**	**11.06**	**9.53**

Note No: 16 Non-Current Provisions

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Provision for Employee Benefits					
- Gratuity	**7.75**	6.94	5.79	4.35	3.10
- Leave Encashment	**3.35**	2.90	2.49	1.64	1.26
Total	**11.10**	**9.84**	**8.28**	**5.99**	**4.35**

Note No: 17 Deferred Tax Liabilities (Net)

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Deferred Tax Liabilities:					
Impact of difference between tax depreciation and depreciation	**102.51**	88.74	70.38	52.35	42.34
Total Deferred Tax Liabilities	**102.51**	**88.74**	**70.38**	**52.35**	**42.34**
Deferred Tax Assets:					
Disallowance under the Income Tax Act, 1961	**6.29**	5.95	5.13	3.44	2.83
Total Deferred Tax Assets	**6.29**	**5.95**	**5.13**	**3.44**	**2.83**
Net Deferred Tax Liabilities/(Asset)	**96.22**	**82.79**	**65.25**	**48.91**	**39.51**

Reconciliation of Deferred Tax Liabilities (Net)

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Deferred Tax Liabilities:					
Impact of difference between tax depreciation and depreciation					
Opening Balance	**88.74**	70.38	52.35	42.34	31.49
Movement during the year	**13.77**	18.36	18.03	10.01	10.84
Closing Balance	**102.51**	**88.74**	**70.38**	**52.35**	**42.34**
Deferred Tax Assets:					
Disallowance under the Income Tax Act, 1961					
Opening Balance	**5.95**	5.13	3.44	2.83	2.47
Movement during the year	**0.34**	0.82	1.69	0.61	0.36
Closing Balance	**6.29**	**5.95**	**5.13**	**3.44**	**2.83**
Net Deferred Tax Liabilities/(Asset)	**96.22**	**82.79**	**65.25**	**48.91**	**39.51**

Note No: 18 Current Borrowings

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
At Amortised Cost					
Loan Repayable on Demand					
From Banks (Secured*)					
- Cash Credit	**-**	-	-	14.46	12.05
Total	**-**	**-**	**-**	**14.46**	**12.05**

* Limit is taken from Bank of Maharashtra. Secured by hypothecation of Inventory and Book Debts, lien on bills and additional charge on properties already mortgaged to Bank of Maharashtra

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

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
At Amortised Cost					
Dues Owed to Micro, Small and Medium Enterprises*	**-**	-	-	-	-
Dues of other than MSMEs	**344.21**	254.18	281.21	236.46	212.60
Total	**344.21**	**254.18**	**281.21**	**236.46**	**212.60**

* 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

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
At Amortised Cost					
Current Maturities on Non-Current Borrowings from Banks (Refer Note No. 14)	**4.14**	4.00	2.27	14.83	20.21
Unpaid Dividend	**0.51**	0.36	0.31	0.20	0.22
Payables on purchase of Property, Plant & Equipment	**81.79**	-	-	-	-
Employee Related Liabilities	**27.22**	23.26	20.71	13.73	10.21
Security Deposits	**77.46**	61.81	60.37	46.28	35.97
Expenses Payable	**13.40**	18.57	13.63	16.70	5.04
Others Payable	**16.91**	6.74	6.69	4.43	6.09
Total	**221.43**	**114.73**	**103.98**	**96.17**	**77.73**

Note No: 21 Other Current Liabilities

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Advances received from Customers	**11.47**	13.41	10.41	3.86	3.70
Statutory Dues	**36.13**	13.91	19.95	12.81	11.95
Others Payable	**-**	0.02	0.02	0.02	0.02
Total	**47.60**	**27.35**	**30.38**	**16.69**	**15.66**

Note No: 22 Current Provisions

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Provision for Employee Benefits					
- Gratuity	**5.73**	5.79	5.04	4.49	4.11
- Leave Encashment	**1.35**	1.26	0.93	0.53	0.58
Total	**7.08**	**7.05**	**5.97**	**5.01**	**4.69**

Note No: 23 Current Tax Liabilities

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Income Tax Payable	**48.06**	12.00	66.98	21.41	7.86
Total	**48.06**	**12.00**	**66.98**	**21.41**	**7.86**

Note No: 24 Revenue from operations

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Sale of Goods					
- Inland Sales	**3,102.93**	2,851.72	2,734.16	1,928.51	1,640.95
- Exports Sales	**261.52**	239.54	185.18	129.66	93.31
Total Revenue from Operations	**3,364.44**	**3,091.25**	**2,919.34**	**2,058.17**	**1,734.26**

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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Revenue from Operations (including Excise Duty)	**3,364.44**	3,091.25	2,919.34	2,058.17	1,734.26
Excise Duty	**87.18**	368.54	351.32	249.38	211.75
Revenue from Operations excluding Excise Duty	**3,277.26**	**2,722.71**	**2,568.02**	**1,808.79**	**1,522.51**

Note No: 25 Other Income

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Other income - recurring					
Interest Income	**28.31**	18.15	8.91	0.29	0.41
Rent Income	**2.22**	2.06	1.92	1.80	0.02
Miscellaneous Income	**1.74**	1.77	1.84	0.81	0.78
Other income - non recurring					
Gain on change in fair value of Investments	**-**	0.01	-	-	-
Profit on Sale of Investments*	**17.60**				
Total	**49.88**	**21.98**	**12.67**	**2.90**	**1.21**
Interest income (calculated using the effective interest method) for financial assets that are classified at amortised cost	**28.31**	**18.15**	**8.91**	**0.29**	**0.41**

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

Note No: 26 Cost of Material Consumed

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Consumption of:					
Polycarbonate	**148.20**	101.56	100.97	66.44	57.75
Cloth	**114.88**	96.97	102.76	77.91	69.92
ABS	**407.19**	290.01	282.72	248.83	220.41
Thermocol	**142.01**	102.48	89.59	70.54	62.92
Buckle	**43.67**	40.31	42.38	27.15	21.76
PPCP	**32.54**	26.91	24.91	26.32	23.10
Paints	**117.46**	118.43	114.10	93.64	83.38
Visor	**3.43**	4.40	10.00	16.25	10.67
Other Components	**519.19**	477.04	428.79	310.14	261.73
Total	**1,528.56**	**1,258.11**	**1,196.23**	**937.21**	**811.63**

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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Inventory at the beginning of the year					
Finished Goods	**35.03**	15.92	9.69	9.54	8.05
Work in Progress	**3.03**	2.51	2.00	2.00	1.50
Total	**38.06**	**18.43**	**11.69**	**11.54**	**9.55**
Less: Inventory at the end of the year					
Finished Goods	**28.47**	35.03	15.92	9.69	9.54
Work in Progress	**3.21**	3.03	2.51	2.00	2.00
Total	**31.68**	**38.06**	**18.43**	**11.69**	**11.54**
Net (Increase)/decrease	**6.38**	**(19.63)**	**(6.74)**	**(0.15)**	**(1.99)**

Note No: 28 Employee Benefit Expenses

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Salaries, Wages and Bonus	**288.39**	243.41	195.51	143.56	123.41
Contribution to Provident Fund & Other Fund	**23.44**	20.85	16.86	12.04	10.28
Employees Welfare Expenses	**6.99**	6.92	7.18	4.58	4.16
Total	**318.82**	**271.17**	**219.54**	**160.17**	**137.86**

Note No: 29 Finance Cost

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Interest on:					
- Term Loan	**-**	-	1.21	6.16	8.03
- Cash Credit / Overdraft	**0.03**	-	0.92	0.71	0.79
- Vehicle Loan	**0.85**	0.99	0.79	0.42	0.32
- Unsecured Loans	**1.92**	2.04	1.79	2.14	2.14
- Dealer Security Deposit	**0.68**	0.58	0.48	0.31	0.29
Total	**3.47**	**3.61**	**5.18**	**9.73**	**11.57**
Interest expense (calculated using the effective interest method) for financial liabilities that are Classified at Amortised Cost	**3.47**	3.61	5.18	9.73	11.57

Note No: 30 Depreciation and Amortisation Expense

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Depreciation/Amortisation of tangible assets	**56.09**	51.10	37.29	32.66	25.23
Amortisation of intangible assets	**1.30**	1.14	1.00	0.70	0.36
Total	**57.39**	**52.23**	**38.29**	**33.36**	**25.58**

Note No: 31 Other Expenses

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Processing Charges	**113.87**	100.63	82.53	56.30	49.50
Packaging & Forwarding	**192.35**	155.84	152.84	113.66	96.40
Power & Fuel	**105.82**	106.61	89.60	63.22	50.80
Store Consumed	**34.90**	35.69	41.01	31.34	22.88
Cartage Outward	**150.09**	120.55	115.22	82.77	70.19
Insurance Expenses	**4.58**	3.14	2.25	1.88	1.73
Repair and Maintenance :					
- Plant & Machinery	**17.43**	13.55	16.04	8.98	7.19
- Building	**17.63**	24.63	20.20	6.56	5.20
- Others	**7.45**	18.41	24.79	9.94	10.14
Rent	**15.64**	14.93	12.33	0.60	-
Payment to Auditors*	**0.85**	0.30	0.20	0.18	0.17
Legal & Professional Expenses	**22.62**	33.77	33.26	22.21	19.31
Corporate Social Responsibility (CSR) expenses#	**6.20**	4.40	2.43	2.05	-
Loss on sale of Property, Plant and Equipment	**0.15**	1.73	0.09	0.47	0.48
Loss on change in fair value of Investments	**0.04**	-	0.02	0.00	0.02
Travelling & Conveyance Expenses	**9.03**	7.47	7.25	6.52	6.62
Commission on Sales	**2.35**	0.76	0.25	0.35	0.56
Advertisement	**24.65**	9.76	6.69	6.49	4.70
Target Incentive	**110.15**	94.22	88.19	68.64	57.49
Bank Charges	**0.84**	1.94	1.29	1.38	0.98
Miscellaneous Expenses	**64.65**	62.21	43.68	25.87	21.53
Total	**901.30**	**810.55**	**740.16**	**509.41**	**425.90**

*** Details of Auditor's Remuneration** (Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Payment to Auditors					
- For Audit Fees	**0.75**	0.20	0.15	0.14	0.14
- For Taxation Matters	**0.10**	0.10	0.05	0.04	0.03
Total	**0.85**	**0.30**	**0.20**	**0.18**	**0.17**

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:

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Profit after tax for calculation of EPS (Rs. In million) (A)	**324.65**	237.46	246.91	104.74	74.95
Number of equity shares post split*	**2,186,300**	2,186,300	2,186,300	2,186,300	2,186,300
Add: Effect of Bonus issue#	**17,490,400**	17,490,400	17,490,400	17,490,400	17,490,400
Weighted average number of equity shares in calculating diluted EPS (C)	**19,676,700**	19,676,700	19,676,700	19,676,700	19,676,700
Face Value per share (Amount in Rs.)	**5.00**	5.00	5.00	5.00	5.00
Basic Earning per share (Amount in Rs.) (A/B)	**16.50**	12.07	12.55	5.32	3.81
Diluted Earning per share (Amount in Rs.) (A/C)	**16.50**	**12.07**	**12.55**	**5.32**	**3.81**

* 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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	**-**	-	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	**-**	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	**-**	-	-	-	-

Note No: 34 Segment Information

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

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

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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
(i) Gross amount required to be spent by the Group during the year	**6.14**	4.39	2.43	2.02	NA*
			In Cash	**Yet to be paid in Cash**	**Total**
(ii) Amount spent during the year ending on March 31, 2018:					
1. Construction / acquisition of any asset			**-**	**-**	**-**
2. On purposes other than (i) above					
– Studds Foundation			**6.20**	**-**	**6.20**
(iii) Amount spent during the year ending on March 31, 2017:					
1. Construction / acquisition of any asset			-	-	-
2. On purposes other than (i) above					
– Studds Foundation			4.40	-	**4.40**
(iv) Amount spent during the year ending on March 31, 2016:					
1. Construction / acquisition of any asset			-	-	-
2. On purposes other than (i) above					
– Studds Foundation			2.43	-	**2.43**
(v) Amount spent during the year ending on March 31, 2015:					-
1. Construction / acquisition of any asset			-	-	-
2. On purposes other than (i) above					
– Studds Foundation			2.05	-	**2.05**

* Provisions relating to Corporate Social Responsibility were introduced by the Companies Act, 2013 which were not applicable till 31-Mar-14.

STUDDS ACCESSORIES LIMITED

Annexure-V Notes to Restated 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

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

Key Management Personnel & their Relatives:

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

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

(Rs. in million)

S. No.	Name of the Party	Nature of Transaction	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
1	**Mr. Madhu Bhushan Khurana**	**Director's Remuneration:**					
		- Short-term employee benefits	**15.05**	6.95	4.13	4.44	3.80
		- Post-employment benefits	**-**	-	-	-	-
		Interest on Loan	**1.36**	1.39	1.13	1.05	1.05
		Dividend	**5.36**	0.60	8.64	2.96	2.70
		Rent	**0.30**	0.30	0.30	0.30	0.15
		Loan Taken	**-**	-	2.80	-	-
		Loan Repaid	**11.57**	-	-	-	-
		Loan Receivable/(Payable)	**-**	(11.57)	(11.57)	(8.77)	(8.77)
		Balance Receivable/(Payable)	**(0.06)**	(0.18)	(0.16)	(0.03)	(1.37)
2	**Mrs. Chand Khurana**	**Director's Remuneration/Salary:**					
		- Short-term employee benefits	**2.73**	2.83	2.53	1.64	1.54
		- Post-employment benefits	**-**	-	-	-	-
		Interest on Loan	**0.56**	0.65	0.65	1.09	1.09
		Dividend	**0.81**	0.09	1.32	0.45	0.41
		Rent	**0.30**	0.30	0.30	0.30	0.15
		Loan Repaid	**5.45**	-	- 3.60	-	-
		Loan Receivable/(Payable)	**-**	(5.45)	(5.45)	(9.05)	(9.05)
		Balance Receivable/(Payable)	**(1.10)**	(0.09)	(0.09)	(0.07)	(0.70)
3	**Mr. Sidhartha Bhushan Khurana**	**Director's Remuneration:**					
		- Short-term employee benefits	**15.15**	11.48	7.58	4.21	3.76
		- Post-employment benefits	**-**	-	-	-	-
		Dividend	**1.34**	0.14	1.64	0.55	0.50
		Balance Receivable/(Payable)	**(0.19)**	-	(0.08)	(0.07)	(12.98)
4	**Mrs. Garima Khurana**	**Director's Remuneration/Salary:**					
		- Short-term employee benefits	**1.13**	0.49	0.43	0.43	0.29
		- Post-employment benefits	**-**	-	-	-	-
		Dividend	**0.02**	0.00	0.03	0.01	0.01
		Balance Receivable/(Payable)	**(0.01)**	-	-	-	-
5	**Alpine Apparels Private Limited**	Adavnce given against service contract	**15.00**	-	-	-	-
		Advance received back with interest	**15.00**	-	-	-	-
		Interest received on advance	**0.72**	-	-	-	-
6	**Stuuds Foundation**	CSR Expenditure	**6.20**	4.14	2.43	2.05	-

Terms and conditions of transactions with related parties

The transactions related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs through banking channel. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, 2017, 2016, 2015 and 2014, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note No: 37 Commitments and Contingencies

(i) Leases

Operating lease: Group as Lessee

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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Rent Expense under Operating Lease	**15.64**	14.93	12.33	0.60	-

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

Operating lease: Group as Lessor

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

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Rent Income under Operating Lease	**2.22**	2.06	1.92	1.80	0.02

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:

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Estimated amount of contracts remaining to be executed on capital account and not provided for	**0.82**	7.66	2.63	3.47	0.77

(iii) Contingent Liabilities

(Rs. in million)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Sales tax demand	**43.45**	-	-	-	-
Electricity penal demand	**5.69**	-	-	-	-

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

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

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

Note No: 38 Employee Benefits

(A) Defined Contribution Plans as per Ind AS 19 Employee Benefits:
Contribution to Defined Contribution Plan as recognised as expense is as under:

(Rs. in million)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Employer's Contribution to Provident Fund & Pension*	**14.63**	13.69	10.46	7.10	6.00
Employer's Contribution to ESI*	**8.54**	6.89	6.17	4.75	4.11

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

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

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

I. Disclosures in Respect of Gratuity:

(i) Present value of Defined Benefit Obligation: **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Present value of obligation as at the beginning	**12.73**	10.83	8.83	7.21	6.62
Current service cost	**1.57**	1.48	1.24	0.98	0.76
Past Service Cost	**-**	-	-	-	-
Interest cost	**0.88**	0.86	0.69	0.65	0.54
Re-measurement (or Actuarial) (gain) / loss	**0.52**	(0.31)	0.22	0.06	(0.69)
Benefits paid	**(2.23)**	(0.12)	(0.15)	(0.06)	(0.02)
Present Value of Obligation as at the end	**13.48**	**12.73**	**10.83**	**8.83**	**7.21**
Current Liability	**5.73**	**5.79**	**5.04**	**4.49**	**4.11**
Non-Current Liability	**7.75**	**6.94**	**5.79**	**4.35**	**3.10**

(ii) Fair Value of Plan Assets: **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Fair Value of Plan Assets as at the beginning	**-**	-	-	-	-
Interest Income	**-**	-	-	-	-
Employer's Contribution	**-**	-	-	-	-
Benefits Paid	**-**	-	-	-	-
Actuarial Gains/(Losses)	**-**	-	-	-	-
Fair Value of Plan Assets as at the end	**-**	**-**	**-**	**-**	**-**

(iii) Assets and Liabilities recognized in the Balance Sheet: **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Present Value of Obligation at the end	**13.48**	12.73	10.83	8.83	7.21
Fair Value of Plan Assets at the end	**-**	-	-	-	-
Amount Recognised in Balance Sheet	**13.48**	**12.73**	**10.83**	**8.83**	**7.21**

(iv) Net Employee Benefit Expense (recognized in Employee Cost): **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Current service cost	**1.57**	1.48	1.24	0.98	0.76
Past service cost	**-**	-	-	-	-
Net interest cost on net defined benefit liability	**0.88**	0.86	0.69	0.65	0.54
Net benefit expense recognized in statement of Profit and Loss	**2.45**	**2.34**	**1.93**	**1.63**	**1.30**

(v) Amount recognised in Other Comprehensive Income: **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Actuarial (Gain)/Loss arising from:					
Effect of experience adjustment (gains)/losses	**0.58**	(0.45)	0.25	(0.18)	(0.57)
Difference in Present Value of Obligations	**(0.06)**	0.14	(0.03)	0.23	(0.12)
Components of defined benefit costs recognised in other comprehensive income	**0.52**	**(0.31)**	**0.22**	**0.06**	**(0.69)**

(vi) Funding Pattern **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
	Nil	Nil	Nil	Nil	Nil

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

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Discount rate	**7.70 % p.a.**	7.55 % p.a.	7.97 % p.a.	7.85 % p.a.	9.10 % p.a.
Attrition Rate	**20.00 % p.a.**	20.00 % p.a.	20.00 % p.a.	20.00 % p.a.	20.00 % p.a.
Salary growth rate	**10.00 % p.a.**	10.00 % p.a.	10.00 % p.a.	10.00 % p.a.	10.00 % p.a.
Mortality rate	**IALM 2006-08**	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08

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

(viii) A quantitative sensitivity analysis for significant assumption

(a) Discount rate **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Change in assumption (3 % p.a. increase)					
Impact on defined benefit obligation	**(0.97)**	(0.87)	(0.69)	(0.52)	(0.36)
Change in assumption (3 % p.a. decrease)					
Impact on defined benefit obligation	**1.26**	1.12	0.88	0.66	0.45

(b) Salary growth rate **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Change in assumption (1 % p.a. increase)					
Impact on defined benefit obligation	**0.37**	0.33	0.26	0.20	0.14
Change in assumption (1 % p.a. decrease)					
Impact on defined benefit obligation	**(0.35)**	(0.31)	(0.25)	(0.18)	(0.13)

(c) Attrition Rate **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Change in assumption (3 % p.a. increase)					
Impact on defined benefit obligation	**(0.27)**	(0.23)	(0.17)	(0.14)	(0.07)
Change in assumption (3 % p.a. decrease)					
Impact on defined benefit obligation	**0.28**	0.24	0.17	0.14	0.07

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

(ix) Defined benefit liability and employer contributions

Expected benefit payments are as follows: **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Within the next 12 months	**5.92**	6.06	5.21	4.60	4.21
Between 2 and 5 years	**8.76**	7.95	7.06	5.64	4.00
Between 5 and 10 years	**8.36**	7.54	6.06	4.48	3.94
After 10 years	**8.73**	7.40	6.93	5.23	3.79

(x) Risk exposure

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

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

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

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

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

(a) Movement in the present value of the defined benefit obligation: **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Present value of obligation as at the beginning	**4.16**	3.42	2.17	1.84	0.98
Current service cost	**2.39**	2.16	1.82	1.23	0.93
Interest cost	**0.20**	0.17	0.09	0.11	0.03
Re-measurement (or Actuarial) (gain) / loss	**1.01**	1.09	1.40	0.30	1.04
Benefits paid	**(3.05)**	(2.68)	(2.06)	(1.29)	(1.15)
Present Value of Obligation as at the end	**4.70**	**4.16**	**3.42**	**2.17**	**1.84**
Current Liability	**1.35**	**1.26**	**0.93**	**0.53**	**0.58**
Non-Current Liability	**3.35**	**2.90**	**2.49**	**1.64**	**1.26**

(b) Net employee benefit expense (recognized in Employee Cost): **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Current service cost	**2.39**	2.16	1.82	1.23	0.93
Past service cost	**-**	-	-	-	-
Net interest cost on net defined benefit liability	**0.20**	0.17	0.09	0.11	0.03
Re-measurement (or Actuarial) (gain) / loss	**1.01**	1.09	1.40	0.30	1.04
Net benefit expense recognized in statement of Profit and Loss	**3.60**	**3.42**	**3.31**	**1.63**	**2.00**

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

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Discount rate	**7.70 % p.a.**	7.55 % p.a.	7.97 % p.a.	7.85 % p.a.	9.10% p.a.
Attrition Rate	**20.00 % p.a.**	20.00 % p.a.	20.00 % p.a.	20.00 % p.a.	20.00% p.a.
Salary growth rate	**10.00 % p.a.**	10.00 % p.a.	10.00 % p.a.	10.00 % p.a.	10.00% p.a.
Mortality rate	**IALM 2006-08**	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08

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

(d) Reconciliation of Fair Value of Assets and Obligation: **(Rs. in million)**

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Fair Value of Plan Assets at the end	**-**	-	-	-	-
Present Value Obligation at the end	**4.70**	4.16	3.42	2.17	1.84
Amount Recognised in Balance Sheet	**4.70**	**4.16**	**3.42**	**2.17**	**1.84**

Note No: 39 Fair Values

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

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

(Rs. in million)

Particulars	31-Mar-18		31-Mar-17		31-Mar-16 (Proforma)		31-Mar-15 (Proforma)		31-Mar-14 (Proforma)	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Investments*	**0.03**	**0.03**	0.06	0.06	0.06	0.06	0.07	0.07	0.08	0.08
Trade Receivables	**121.85**	**121.85**	39.68	39.68	84.36	84.36	45.32	45.32	43.11	43.11
Cash & Cash Equivalents	**171.44**	**171.44**	101.56	101.56	83.65	83.65	163.83	163.83	71.52	71.52
Other Bank Balances	**468.61**	**468.61**	319.25	319.25	206.78	206.78	3.18	3.18	2.97	2.97
Other Financial Assets	**8.22**	**8.22**	8.27	8.27	8.06	8.06	4.59	4.59	4.29	4.29
Total Financial Assets	**770.14**	**770.14**	**468.83**	**468.83**	**382.91**	**382.91**	**216.98**	**216.98**	**121.97**	**121.97**

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

B. Financial Liabilities

(Rs. in million)

Particulars	31-Mar-18		31-Mar-17		31-Mar-16 (Proforma)		31-Mar-15 (Proforma)		31-Mar-14 (Proforma)	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Borrowings	**3.51**	**3.51**	24.75	24.75	24.30	24.30	45.70	45.70	58.08	58.08
Other Non-Current Financial Liabilities	**262.23**	**262.23**	14.79	14.79	13.41	13.41	11.06	11.06	9.53	9.53
Current Borrowings	**-**	**-**	-	-	-	-	14.46	14.46	12.05	12.05
Trade Payables	**344.21**	**344.21**	254.18	254.18	281.21	281.21	236.46	236.46	212.60	212.60
Other Current Financial Liabilities#	**221.43**	**221.43**	114.73	114.73	103.98	103.98	96.17	96.17	77.73	77.73
Total Financial Liabilities	**831.39**	**831.39**	**408.44**	**408.44**	**422.91**	**422.91**	**403.84**	**403.84**	**369.99**	**369.99**

including current maturities of non-current borrowings

C. Fair value measurement hierarchy for Assets and Liabilities

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

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

Level 1
Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2
Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

Level 3
Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants

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

(Rs. in million)

Particulars	31-Mar-18	31-Mar-17	31-Mar-16 (Proforma)	31-Mar-15 (Proforma)	31-Mar-14 (Proforma)
Financial Assets					
Financial investments as FVTPL					
Investment in Quoted Shares (Level 1)	**0.03**	0.06	0.06	0.07	0.08

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

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

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

Note No: 40 Financial risk management objectives and policies

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, cash and cash equivalents, other bank balances, investment in equity shares and other receivables that derive directly from its operations.
The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management has assigned the responsibility to oversee the management of these risks to its treasury team. The treasury team assesses the financial risks and takes appropriate action to mitigate those risks. The treasury team provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investment in equity shares.
The sensitivity analysis in the following sections relate to the position as at 31 March 2018, 2017, 2016, 2015 and 2014
The analysis exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and other provisions.
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in million)

Particulars	Increase/decrease in basis points	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
INR Loans*	+ 50 Basis Points	(0.00)	-	(0.11)	(0.34)	(0.44)
INR Loans*	- 50 Basis Points	0.00	-	0.11	0.34	0.44

*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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

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

Liabilities/Assets	Foreign Currency (Amount in million)				
	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Liabilities					
USD	**0.21**	0.17	0.36	0.48	0.42
EURO	**0.08**	0.04	-	0.12	-
Assets					
USD	**-**	0.04	0.01	0.11	0.05
EURO	**0.02**	-	0.00	-	0.02

Liabilities/Assets	INR (Rs. in million)				
	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
Liabilities					
USD	**13.37**	11.07	24.52	30.15	26.40
EURO	**6.10**	3.04	-	9.63	-
Assets					
USD	**-**	2.44	0.65	7.75	3.16
EURO	**1.73**	-	0.03	-	2.25

Foreign Currency Sensitivity

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

(Rs. in million)

Currency	Change in rate	Effect on profit before tax for the year				
		31-Mar-18	31-Mar-17	31-Mar-16 Proforma	31-Mar-15 Proforma	31-Mar-14 Proforma
USD	Appreciation in INR by 5%	**0.67**	0.43	1.19	1.12	1.16
USD	Depreciation in INR by 5%	**(0.67)**	(0.43)	(1.19)	(1.12)	(1.16)
EURO	Appreciation in INR by 5%	**0.22**	0.15	(0.00)	0.48	(0.11)
EURO	Depreciation in INR by 5%	**(0.22)**	(0.15)	0.00	(0.48)	0.11

Credit Risk

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

Trade Receivables

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

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

The management believes that the trade receivables as on 31 March 2018, 2017, 2016, 2015 and 2014 are not subject to any further credit risk. Accordingly, no new credit losses are being accounted for.

Ageing of Trade Receivables

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16 Proforma	As at 31-Mar-15 Proforma	As at 31-Mar-14 Proforma
0-6 Months past due	**120.97**	39.36	84.28	45.04	41.56
6-12 Months past due	**0.69**	0.31	0.00	0.11	1.43
More than 12 months	**0.19**	0.01	0.08	0.17	0.13
Total	**121.85**	**39.68**	**84.36**	**45.32**	**43.11**

Balances with Banks

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

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

Liquidity Risk

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

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

(Rs. in million)

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

(Rs. in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2017				
Non-Current Borrowings	4.00	24.75	-	28.75
Other Non-Current Financial Liabilities	-	14.79	-	14.79
Trade Payables	254.18	-	-	254.18
Other Current Financial Liabilities	110.72	-	-	110.72
Total	**368.91**	**39.54**	**-**	**408.44**

(Rs. in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2016 (Proforma)				
Non-Current Borrowings	2.27	24.30	-	26.57
Other Non-Current Financial Liabilities	-	13.41	-	13.41
Trade Payables	281.21	-	-	281.21
Other Current Financial Liabilities	101.72	-	-	101.72
Total	**385.19**	**37.72**	**-**	**422.91**

(Rs. in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2015 (Proforma)				
Non-Current Borrowings	14.83	45.70	-	60.53
Other Non-Current Financial Liabilities	-	11.06	-	11.06
Current Borrowings	14.46	-	-	14.46
Trade Payables	236.46	-	-	236.46
Other Current Financial Liabilities	81.33	-	-	81.33
Total	**347.09**	**56.75**	**-**	**403.84**

(Rs. in million)

Nature of Liability	Up to 1 Year	1 to 5 years	More than 5 years	Total
As at 31 March 2014 (Proforma)				
Non-Current Borrowings	20.21	58.08	-	78.29
Other Non-Current Financial Liabilities	-	9.53	-	9.53
Current Borrowings	12.05	-	-	12.05
Trade Payables	212.60	-	-	212.60
Other Current Financial Liabilities	57.52	-	-	57.52
Total	**302.39**	**67.61**	**-**	**369.99**

Note No: 41 Capital Management

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

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

(Rs. in million)

Particulars	**As at 31-Mar-18**	**As at 31-Mar-17**	**As at 31-Mar-16 Proforma**	**As at 31-Mar-15 Proforma**	**As at 31-Mar-14 Proforma**
Borrowings	**7.65**	28.75	26.57	74.99	90.34
Trade Payables	**344.21**	254.18	281.21	236.46	212.60
Less: Cash and cash equivalents	**171.44**	101.56	83.65	163.83	71.52
Net Debt (A)	**180.43**	**181.37**	**224.13**	**147.62**	**231.42**
Equity (B)	**1,186.88**	**874.41**	**638.07**	**409.72**	**313.36**
Net Debt/ Equity Ratio (A/B)	**15.20%**	**20.74%**	**35.13%**	**36.03%**	**73.85%**

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

Note No: 42 Significant accounting judgments, estimates and assumptions

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

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

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

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

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

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

(i) Contingent liabilities

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

(ii) Impairment of financial assets

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

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

(iv) Gratuity benefits
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

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

STUDDS ACCESSORIES LIMITED
Annexure-V Notes to Restated Consolidated Financial Information

Note No: 43 Distributions made and Proposed

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Amounts recognised as distributions to equity holders:					
Interim Dividend (Including Dividend Tax) (Rs. In million) (A)	**-**	-	9.21	-	-
Per Share Dividend (Amount in Rs.)	-	-	7.00	-	-
Proposed Dividend (Including Dividend Tax) (Rs. In million) (B)*	**11.86**	11.84	1.32	9.21	6.14
Per Share Dividend (Amount in Rs.)	**0.50**	9.00	1.00	7.00	4.80
Total Dividend (A+B)	**11.86**	**11.84**	**10.53**	**9.21**	**6.14**

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

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

Note No: 44 Interest In Other Entities

A. Details of Subsidiaries which have been consolidated are as follows:

S. No.	Name of Company	Relationship	Principal Place of Business	% Of Ownership Interest held by Group					% Of Ownership Interest held by Non-Controlling Interest				
				31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
1	M G STEEL LIMITED	Subsidiary	India	-	99.24	99.24	99.24	99.24	100.00	0.76	0.76	0.76	0.76

During the year 2017-18, the Company has sold its entire stake in MG Steel Limited (Refer Note No. 45)

B. Non Controlling Interests (NCI)

Set out below the summarised financial information for subsidiary that has non controlling interests that are material to the group

M G STEEL LIMITED **(Rs. in million)**

Summarized Balance Sheet	**As at 31-Mar-18***	**As at 31-Mar-17**	**As at 31-Mar-16**	**As at 31-Mar-15**	**As at 31-Mar-14**
Current Assets	5.42	3.68	2.33	1.79	0.81
Current liabilities	0.53	0.30	0.41	1.23	1.87
Net Current Assets	**4.89**	**3.38**	**1.92**	**0.56**	**(1.07)**
Non-Current Assets	2.06	2.06	2.06	2.06	2.06
Non-Current Liabilities	0.42	0.42	0.42	0.39	-
Net Non Current Assets	**1.64**	**1.64**	**1.64**	**1.67**	**2.06**
Net Assets	**6.53**	**5.01**	**3.56**	**2.23**	**0.99**
Accumulated Non-Controlling Interest	**-**	**0.04**	**0.03**	**0.02**	**0.01**

(Rs. in million)

Summarised Statement of Profit and Loss	**For 31-Mar-18***	**For 31-Mar-17**	**For 31-Mar-16**	**For 31-Mar-15**	**For 31-Mar-14**
Total Revenue	2.13	1.90	1.75	1.63	0.08
Profit for the Year	1.55	1.46	1.33	1.24	(0.06)
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	**1.55**	**1.46**	**1.33**	**1.24**	**(0.06)**
Dividend paid to NCI	-	-	-	-	-

(Rs. in million)

Summarised Cash Flows	**For 31-Mar-18***	**For 31-Mar-17**	**For 31-Mar-16**	**For 31-Mar-15**	**For 31-Mar-14**
Cash flow from Operating activity	1.44	1.26	1.13	0.28	(0.01)
Cash flow from Investing activity	0.17	0.09	0.07	0.07	0.06
Cash flow from Financing activity	(0.00)	-	-	-	(0.00)
Net Increase/(Decrease) In cash & cash equivalents	**1.60**	**1.35**	**1.20**	**0.34**	**0.05**

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

Note No: 45 Disposal of Investment in Subsidiary

During the year 2017-18, the Company has has sold its entire stake (i.e. 99.24%, no. of shares 77,900) in its subsidiary company i.e. MG Steel Limited w.e.f. March 08, 2018 as a result of which its assets including goodwill, liabilities and non-controlling interest has been derecgnised and profit on disposal has been recognised.

Note No: 46 Specified Bank Notes

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

(Rs. in million)

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

Note No: 47 Events after the reporting period

There are no events to be disclosed after the reporting period

Note No: 48 Additional information, as required under schedule III to the Companies Act, 2013, of entities consolidated as Subsidiary / Associates / Joint Venture

Name of Enterprises	2017-18								2016-17							
	Net Asset		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income		Net Asset		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (Rs. in million)	As % of consolidated Profit or loss	Amount (Rs. in million)	As % of consolidated Other Comprehensive Income	Amount (Rs. in million)	As % of consolidated Total Comprehensive Income	Amount (Rs. in million)	As % of consolidated net assets	Amount (Rs. in million)	As % of consolidated Profit or loss	Amount (Rs. in million)	As % of consolidated Other Comprehensive Income	Amount (Rs. in million)	As % of consolidated Total Comprehensive Income	Amount (Rs. in million)
Parent																
Studds Accessories Limited	100.00%	1,186.88	99.53%	328.81	100.00%	(0.34)	99.53%	328.47	99.43%	870.25	99.39%	236.01	100.00%	0.20	99.39%	236.01
Subsidiary																
M G Steel Limited*	0.00%	-	0.47%	1.55	0.00%	-	0.47%	1.55	0.57%	4.98	0.61%	1.46	0.00%	-	0.61%	1.46
Total	**100.00%**	**1,186.88**	**100.00%**	**330.36**	**100.00%**	**(0.34)**	**100.00%**	**330.02**	**100.00%**	**875.23**	**100.00%**	**237.47**	**100.00%**	**0.20**	**100.00%**	**237.47**
Add/(Less): Adjustment arising out of consolidation		-	-1.73%	(5.70)	0.00%	-	-1.73%	(5.70)	-0.09%	(0.82)	0.00%	(0.00)	0.00%	-	0.09%	0.20
Total	**100.00%**	**1,186.88**	**98.27%**	**324.66**	**100.00%**	**(0.34)**	**98.27%**	**324.32**	**99.91%**	**874.41**	**100.00%**	**237.47**	**100.00%**	**0.20**	**100.09%**	**237.67**

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

Note No: 49 Amendments to existing standards that are not yet effective and have not been adopted by the company

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

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

Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods:

- Retrospective approach- Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospective approach- Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

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

The above statement should be read together with significant accounting policies in Annexure V, restatement adjustments to audited consilidated financial statements in Annexure VI and notes to the restated 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: 18th August, 2018

For and on behalf of Board
STUDDS ACCESSORIES LIMITED

Madhu Bhushan Khurana
Director
DIN:00172770

Sidhartha Bhushan Khurana
Director
DIN: 00172788

S.D.CHOUDHRY
Director
DIN: 07094705

Manish Mehta
Chief Financial Officer

Kanika Bhutani
Company Secretary

Place: Faridabad
Date: 18th August, 2018

First Time Adoption

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

The Group has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The Restated Consolidated Financial Information for the years ended March 31, 2016, 2015 and 2014 has been prepared on Proforma basis (i.e. "Proforma consolidated Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS Consolidated financial information for the year ended March 31, 2016, 2015 and 2014, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2016. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Consolidated financial information as of and for the years ended March 31, 2016, 2015 and 2014 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 01, 2016).

A. Exemptions applied:

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

(i) Estimates

The estimates at 31 March, 2014, 2015, 2016 and 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

(ii) Derecognition of financial assets

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

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

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

(iv) Arrangements containing a lease

For leases of both land and building elements, the Group has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 01, 2016) to Ind AS on the basis of the facts and circumstance existing as at that date. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2016, 2015 and 2014, the Group has continued with the classification of finance and operating leases on the date of transition (i.e. April 01, 2016).

(v) Investment in subsidiary

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

(vi) Business combinations:

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

B. Reconciliations between previous GAAP and Ind AS

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

(i) Reconciliation of Equity **(Rs. in million)**

Particulars	Notes	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14
Equity as reported under previous GAAP		**861.78**	**635.70**	**401.08**	**307.60**
Ind AS: Adjustments:					
Proposed Dividend: Adjustment reflect final dividend (including corporate dividend tax) declared and approved post reporting period	1	11.84	1.32	9.21	6.14
Effect of Investment in Instruments carried at fair value through Profit and Loss	2	(0.02)	(0.03)	(0.02)	(0.01)
Actuarial Valuation of Gratuity and Leave Encashment	4	0.88	1.15	(0.50)	(0.33)
Misc. expenses written off	5	(0.04)	(0.04)	(0.04)	(0.04)
Minority Interest	6	(0.03)	(0.02)	(0.01)	(0.00)
Material restatement adjustments (Audit qualification*)		-	-	-	-
Equity as reported under Ind AS		**874.41**	**638.07**	**409.72**	**313.36**

(ii) Reconciliation of Profit/Total Comprehensive Income **(Rs. in million)**

Particulars	Notes	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-15	Year Ended 31-Mar-14
Profit as reported under previous GAAP		**237.93**	**245.15**	**104.89**	**75.77**
Ind AS: Adjustments increase (decrease):					
Effect of Investment in Instruments carried at fair value through Profit and Loss	2	0.01	(0.02)	(0.00)	(0.02)
Actuarial Valuation of Gratuity and Leave Encashment	4	(0.47)	1.79	(0.13)	(0.80)
Material restatement adjustments (Audit qualification*)		-	-	-	-
Profit for the year		**237.47**	**246.92**	**104.75**	**74.95**
Other comprehensive income (net of tax)	3	0.20	(0.14)	(0.04)	0.47
Total comprehensive income under Ind AS		**237.67**	**246.78**	**104.71**	**75.42**

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

(iii) Reconciliation of Cash Flow

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

*Audit of the standalone financial statements for the years ended March 31, 2017, 2016, 2015 and 2014 was conducted by previous auditors who vide their reports dated August 24, 2017, August 26, 2016, August 28, 2015 and August 25, 2014 respectively expressed an unmodified opinion on the same.

(iv) Modifications in the auditor's report and statements/comments included in the Annexure's to the Audit Report on the audited financial statements of the Company for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 which do not required any corrective adjustments in the Restated consolidated Financial Information are as follows:

Audit reservations / qualifications, which do not require any corrective adjustment in the consolidated financial information:

The dues outstanding in the Company in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of statute	Name of the disputed dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute are pending
Income-Tax Act 1961	Income Tax	1.09	2009-10 & 2014-15	Income Tax Authorities
Haryana Value Added Tax,2003	Sales Tax	43.45	2014-15	Taxation Authority,Faridabad (East)

(v) There is no material amount relating to adjustments for previous years has been identified and adjusted in arriving at the profits of the years to which they relate.

(vi) The accounting policy for provision of Gratuity and Leave Encashment has been corrected and the Consolidated financial information has been restated for all periods presented (Refer Note-4 below)

Note-1: Proposed Dividend

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

Proposed Dividend, including corporate dividend (CDT) tax liability was derecognised on the transition date and as at March 31, 2016, 2015, 2014, and 2013 with corresponding increase in retained earning. The same has been recognised in retained earnings during the financial year in which the dividend is declared at AGM.

Note-2: Fair Valuation of Investments

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

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

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

Note-4: Actuarial Valuation of Gratuity and Leave Encashment

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

Note-5: Misc. Expenses Written Off

Misc. Expenses were not written off in financial statements prepared under previous GAAP, now the same has been rectified and written off as on March 31. 2013.

Note-6: Minority Interest

Minority Interest was clerically incorrectly calculated, the same has been rectified.

Note-7: Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Financial Information, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended) and as per the audited financials of the Company for the year ended 31 March 2018 prepared in accordance with the Schedule III of the Companies Act, 2013.

STUDDS ACCESSORIES LIMITED

Annexure-VII Restated Consolidated Statement of Accounting Ratios

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-16 Proforma	Year Ended 31-Mar-15 Proforma	Year Ended 31-Mar-14 Proforma
Basic and Diluted Earnings per Share (Rs.)	**16.50**	12.07	12.55	5.32	3.81
Return on Net Worth (%)	**27.35%**	27.16%	38.70%	25.57%	23.92%
Net asset value per equity share (Rs)	**1,085.74**	799.90	583.70	374.81	286.66
Weighted average number of equity shares for Basic and Diluted Earnings Per Equity Share	**19,676,700**	19,676,700	19,676,700	19,676,700	19,676,700
Net Profit after tax, as restated	**324.66**	237.47	246.92	104.75	74.95
Equity Share Capital (Rs. In million)	**10.93**	10.93	10.93	10.93	10.93
Other Equity (Rs. In million)	**1,175.95**	863.48	627.14	398.79	302.43
Net Worth (Total Equity) (Rs. In million)	**1,186.88**	874.41	638.07	409.72	313.36

Notes:

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

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

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

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

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

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

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

4. Subsequent to March 31, 2018, the Board of Directors of the Company, in its meeting held on 08th June, 2018, have recommended to the members for split of equity shares of 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.

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 Restated Consolidated Statement of Assets and Liabilities of the Company.

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

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

STUDDS ACCESSORIES LIMITED

Annexure-VIII Consolidated capitalisation statement as at March 31, 2018

Particulars	Pre-Offer	Post-Offer
	Year Ended	
	31-Mar-18	
Debt		
Current Borrowings (A)	-	
Non-Current Borrowings		
- Current Financial Liabilities - Borrowings	3.51	
- Current Maturities of Non-Current Borrowings	4.14	
Total Non-Current Borrowings (B)	**7.65**	**-**
Total Borrowings (C=A+B)	7.65	-
Equity		
Equity Share Capital	10.93	
Other Equity:		
- Securities Premium	6.83	
- General Reserves	163.37	
- Retained Earnings	1,005.76	
Total Equity (D)	**1,186.88**	**-**
Non-Current Debt/Equity (B/D)	**0.01**	
Total Debt/Equity (C/D)	**0.01**	

Notes:

1. Non-Current Debt / Equity has been computed as = $\frac{\text{Non-Current Borrowings}}{\text{Total Equity}}$

2. Total Debt / Equity has been computed as = $\frac{\text{Total Borrowings}}{\text{Total Equity}}$

3. Current represents borrowings due within 12 months from the balance sheet date.

4. Non-current represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings

5. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

6. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows presented

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Restated Consolidated Financial Statements for the Fiscals 2018, 2017, 2016, 2015 and 2014 including the notes thereto and reports thereon, each included in this Draft Red Herring Prospectus.

*Our Restated Consolidated Financial Statements have been prepared under Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013 to the extent applicable. Our consolidated Restated Consolidated Financial Statements has been compiled by the Company from the audited consolidated financial statements of the Company for the respective years under the previous generally accepted accounting principles followed in India ("**Indian GAAP**"). The Restated Consolidated Financial Statements, as of and for the years ended March 31, 2016, 2015 and 2014, are referred to as "pro forma" and are prepared after making adjustments and in accordance with applicable rules, regulations and the ICAI Guidance Note on Reports in Company Prospectuses (Revised 2016). For further information, please see the "**Financial Statements - Restated Consolidated Financial Statements**" which on page 236.*

*Ind AS differs in certain material respects from Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which our financial statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. As a result, the Restated Consolidated Financial Statements may not be comparable to our historical financial statements. For a reconciliation of Indian GAAP to Ind AS, please see, "Financial Statements – Reconciliations between previous GAAP and Ind AS". Please also see "**Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.**" on page 36.*

*This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "**Forward-Looking Statements**" and "**Risk Factors**" and beginning on pages 13 and 14, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations. Our fiscal year ends on March 31 of each year.*

Overview

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

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

- The *Studds* brand was established in the year 1975 and over time has become a widely-recognized brand in India. *Studds* covers the mass commuter market segment in India and the two-wheeler helmets under the brand were sold at maximum retail prices in India ranging from ₹ 825.00 to ₹ 2,165.00 per two-wheeler helmet, as of June 30, 2018. In Fiscal 2018, more than five million helmets were sold under the *Studds* brand within India and Asia, Latin America, Central America and Africa (*Source: F&S Report*). We also manufacture helmets for Jay Squared LLC D.B.A. Daytona Helmets Int. which are sold under the brand name *Daytona* in the United States. Helmets sold under the *Studds* brand constituted more than 25% share in the two-wheeler helmet industry in India in Fiscal 2018 (*Source: F&S Report*).

- The *SMK* brand was introduced in the year 2016 and caters to the premium two-wheeler helmet segment in India. *SMK* helmets primarily cater to the premium two-wheeler helmet segment in certain countries in Asia and Latin America, whereas in certain countries in Europe, *SMK* helmets cater to the mid-market commuter segment. Helmets under the *SMK* brand were sold at maximum retail prices in India ranging from ₹ 2,300.00 to ₹ 9,800.00 per helmet, as of June 30, 2018. Based on the total units of premium two-wheeler helmets sold in India in Fiscal 2018, SMK had a market share of 27.79% in the premium two-wheeler helmet market in India (*Source: F&S Report*). In Fiscal 2018, a total of 23,436 two-wheeler helmets were sold under the *SMK* brand within India.

The safety, reliability and quality associated with a helmet brand are the key attributes which increase customer confidence and influence a purchase decision. We also believe that over time, our consistent focus on improving the safety features and quality of our helmets have helped us in establishing our brands, *Studds* and *SMK*, as trusted brands amongst our customers. We are focused on continuously improving the safety features of our helmets by incorporating emerging head gear protection technology and combining it with style, performance and fit. We regularly test products throughout the development and manufacturing processes at our in-house testing laboratory, which has been certified by VCA, England, and all our helmets are subjected to various quality control procedures.

We believe that one of our key strengths is our ability to understand changing fashion trends and anticipate customer requirements, while ensuring compliance with the highest quality standards. We have a comprehensive portfolio of products with 47 different styles and designs of helmets in various sizes and colours across the helmet categories as of June 30, 2018. We regularly introduce new product designs and offerings at average intervals ranging from 3-12 months. We are able to constantly innovate and develop different styles and designs through our institutionalized design process for which we rely on our in-house design team. Our design team is primarily responsible for forecasting design trends, researching on improving the fit and comfort of our products and integrating new and advanced technologies in our products. We also engage the services of specialised design firms for designing and conceptualising certain niche designs for our helmets. We have entered into an exclusive service agreement with an European design firm, for designing and conceptualising our two-wheeler helmets. We have also recently engaged services of a Spanish design firm for designing and developing *SMK* full face and flip-up helmets with inbuilt Bluetooth technology in order to enhance the riding comfort and safety of two-wheeler riders.

Our product development process is supported by two backward integrated manufacturing facilities located in Faridabad, Haryana. Our facilities are equipped with in-house automated injection moulding shop, four paint shops (one of which is fully automated), automated silicon hard coating facility for visors, sputtering and metalizing technologies available for coating visors, in-house helmet liners stitching facility, conveyorised assembly line, in-house mould making shop and design center and an in-house helmet testing laboratory certified by VCA England.

We have a strong pan India dealer network across urban, semi urban and rural parts of India which consists of dealers and institutional customers, such as the Central Police Canteens and Canteen Stores Department as well as a global distribution network. As of June 30, 2018, we sold our products through 363 active dealers in India and had sold our products to 30 importers across Europe, North America, Asia, Latin America, Central America and Africa for our export operations. Most of the orders placed by our dealers are backed by advance payments and all the orders placed by our importers are usually backed by advance payments or letter of credit, which allows us to have negative working capital. We have also entered into agreements for supply of helmets and two-wheeler lifestyle accessories with two-wheeler OEMs such as Honda Motor India Private Limited, Hero Motorcorp Limited, Suzuki Motorcycle India Private Limited and UM Lohia Two Wheelers Private Limited. All the helmets supplied to the two-wheeler OEMs are under joint branding.

For the Fiscals 2018, 2017 and 2016, our revenue from operations was ₹ 3,364.44 million, ₹ 3,091.25 million and ₹ 2,919.34 million respectively, representing a CAGR of 7.35% during the last three Fiscals. For Fiscals 2018, 2017 and 2016, our profit for the year was ₹ 324.66 million, ₹ 237.47 million, and ₹ 246.92 million, respectively, representing a CAGR of 14.67% during the last three Fiscals. In Fiscals 2018, 2017 and 2016, we recorded

EBITDA of ₹ 572.08 million, ₹ 424.47 million and ₹ 431.49 million, respectively. Our RoNW for Fiscals 2018, 2017 and 2016 was 27.35%, 27.16%, and 38.70%, respectively.

Presentation of Financial Information

We have historically prepared our financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act 2013 (referred to as "**Indian GAAP**"). As required under applicable law, our Company transitioned from Indian GAAP to Ind AS commencing April 1, 2017 (presenting comparatives for the period commencing April 1, 2016). However, for purposes of this Draft Red Herring Prospectus, we have prepared (i) the restated standalone financial statements as of and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014, respectively, including the notes and schedules thereto (collectively, the "**Restated Standalone Financial Statements**"); and (ii) the restated consolidated financial statements as of and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 respectively, including the notes and schedules thereto (collectively, the "**Restated Consolidated Financial Statements**", and together with the Restated Standalone Financial Statements, the "**Restated Financial Statements**") in accordance with the recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The Restated Standalone Financial Statements and the Restated Consolidated Financial Statements have been restated in accordance with the SEBI ICDR Regulations.

As the audited standalone and consolidated financial statements as of and for the years ended March 31, 2014, 2015 and 2016 were initially prepared under Indian GAAP (the "**Indian GAAP Financial Statements**"), the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements as of and for the years ended March 31, 2014, 2015 and 2016, are identified in this Draft Red Herring Prospectus as proforma Ind AS restated financial information.

First Time Adoption of Ind AS

As the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements for Fiscal 2016 and Fiscal 2017 are our first set of financial statements prepared in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards have been applied to the Ind AS Financial Statements and Ind AS transition adjustments and accounting policy choices as initially adopted on April 1, 2016 were also used with effect from April 1, 2013 in the preparation of the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements for Fiscal 2014 and 2015, respectively. These accounting and measurement principles are required to be applied retrospectively to the date of transition to Ind AS and for all periods presented within such first set of financial statements prepared under Ind AS. Certain Ind AS accounting policies used in the preparation of our Ind AS financial statements included herein vary from accounting policies used in the preparation of our historical financial statements prepared under Indian GAAP, and accordingly, adjustments have been made to restate the opening balances as of April 1, 2013 in accordance with Ind AS. In preparing our opening Ind AS balance sheet, we have adjusted the amounts reported previously in financial statements prepared in accordance with Indian GAAP and other relevant provisions of the Companies Act. A reconciliation of the consolidated statement of assets and liabilities, the consolidated statement of profit and loss, and consolidated statement of equity, as of and for Fiscals 2017, 2016, 2015 and 2014 to explain the transition from Indian GAAP to Ind AS is set out in "***Financial Statements – Restated Consolidated Financial Statements - Annexure VI – Restatement adjustments to Audited Consolidated Financial Statements***" on page 294.

FACTORS AFFECTING RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our Product Mix

Our revenue and profit margins are driven by our product mix. Our products include a wide range and style of two-wheeler helmets and other wearable and non-wearable two-wheeler lifestyle accessories including two-wheeler luggage, gloves, helmet security guards, rain suits and eye wear. Our flagship brand *Studds*, is the largest selling helmet brand in the helmet market in India (*Source: F&S Report*). Based on total units of helmets sold in India in Fiscal 2018, *Studds* has a market share of more than 25.00% in the two-wheeler helmet industry in India (*Source: F&S Report*). Leveraging the brand recall and reputation of *Studds*, we have strategically expanded into the premium two-wheeler helmet segment in the year 2016, through launch of our brand *SMK*. *SMK* has emerged as the market leader in the premium helmet segment in India and, based on total units of premium two-wheeler helmets sold in India in Fiscal 2018, has a market share of 27.79% in the premium two-wheeler helmet market in

India (*Source: F&S Report*).

We currently derive a significant portion of our total revenues from the sale of helmets. For the Fiscals 2018, 2017 and 2016, we generated revenues from sale of helmets of ₹ 3,034.28 million, ₹ 2,605.66 million and ₹ 2,475.33 million, which constituted 92.59%, 95.70% and 96.39% of our Adjusted Revenue, respectively, for such periods. A significant portion of our consolidated revenues are attributable to the sale of helmets under our *Studds* brand. However, as a part of our growth strategy, we intend to focus on the premium helmet market by growing our premium helmet brand *SMK*, in India and globally. Our focus on premium two-wheeler helmet segment is supported by favourable industry trends. The sales of premium two-wheeler helmets is also likely to witness significant growth and is estimated to increase from the current 0.08 million unit to 0.61 million units by Fiscal 2023 (*Source: F&S Report*). We also aim to leverage our existing suite of products, knowhow and manufacturing capabilities to produce niche and higher-margin two-wheeler lifestyle products. As we continue to increase our focus on growing our premium helmet business and other higher margin two-wheeler accessories, we expect the relative proportion of revenue contribution from sales of premium and high margin products to increase in the future. While we believe that we are well placed to capitalize on the growing consumer demand for premium and higher margin two-wheeler helmets and two-wheeler lifestyle accessories, however, if we are unable to continue and/or expand our premium product range, we may lose market share to our competitors and that may adversely impact our results of operations.

Market conditions affecting the two-wheeler automotive industry and the relationship with OEMs

The sale of our products is primarily influenced by the sale of two-wheeler vehicles. We derive our revenues primarily from sale of helmets and other wearable and non-wearable two-wheeler lifestyle accessories to OEMs and dealers in the two-wheeler automotive sector. Production and sales of two-wheeler vehicles is impacted by general economic or industry conditions, including income levels, consumer confidence, employee costs, inflation levels, volatility in fuel prices, government regulation as well as evolving regulatory requirements, trade agreements and other factors. The cyclical nature of the industry may result in fluctuation in our revenues across periods and any significant downturn in two-wheeler vehicle sales, may significantly affect our revenues and results of operations.

Further, currently, our business remains dependent on our revenue from OEMs in the two-wheeler automotive segment and therefore our relationship with our OEM customers is key to our business. Our revenue from our OEM customers constituted 13.76%, 9.11% and 8.35% of our Adjusted Revenue in Fiscals 2018, 2017 and 2016, respectively. We directly sell our products to reputed two-wheeler OEMs, such Honda Motor India Private Limited, Hero Motorcorp Limited, Suzuki Motorcycle India Private Limited and UM Lohia Two Wheelers Private Limited. We have developed strong relationships with some of the OEMs, such as Honda Motor India Private Limited and Hero MotoCorp Limited. The demand from our OEM customers impacts our revenues and results of operations, and our sales are directly affected by production and inventory levels of our OEM customers. Increased sales by our OEM customers tend to increase our revenue and results of operations, while a slow-down in demand for two-wheeler vehicles tends to have an adverse impact on our revenues and results of operations. There can be no assurance that our existing OEM customers will continue to do business with us in the future on commercially acceptable terms and there is no surety that we will be able to expand our OEM customer base. Our key OEM customers such as Honda Motor India Private Limited, contribute a large proportion of our revenues. Dependence on certain OEM customers may increase the potential volatility of our results of operations and exposure to individual contract risks. Such concentration of our business on a few customers may have an adverse impact on our results of operations

Regulatory developments

Our operations are subject to a broad range of foreign, national and local road traffic safety laws and regulations, including laws and regulations governing the imposition of taxes or standards on import of helmets. The demand for helmets is directly linked to strict enforcement of traffic laws. The demand for helmets is expected to grow at a CAGR of 16.91% over the next 5 years, however, in the event there is a strict implementation of traffic laws, the demand is likely to grow at a CAGR of 17.89% over the next five years (*Source: F&S Report*). While the High Courts of various states have made it compulsory for two-wheeler riders and pillion riders to wear helmets, the enforcement of such laws are weak in certain states in India (*Source: F&S Report*). Strict enforcement of traffic laws in India is likely to increase demand for helmets and may positively impact our results of operations. However, certain regulations, if enacted, could lead to a decline in the demand for our products. Any regulation, which impacts the demand for two-wheelers, could also result in decline in demand of helmets. Further, ban on the use of certain type of helmets, such as the open face type of helmets, could impact our overall sales volumes and require changes in manufacturing and operating processes or affecting the demand from our key customers. See "***Key Regulations and Policies in India***" on page 142 for further information.

Expansion of capacity and distribution network

As a part of our growth strategy, we intend to substantially increase our manufacturing capacity by developing two of our new under-construction manufacturing facilities located in Faridabad, Haryana, for manufacturing two-wheeler helmets and accessories and bicycle helmets. Effective implementation of our growth strategy also depends on the proportionate increase of our distribution network, which we aim to achieve by consolidating existing dealers and increasing the number of dealers in under-penetrated markets.

Our revenues are impacted by our geographic presence and the scale and growth of our distribution network in India and globally. We have over three decades of operations developed a widespread distribution network in India and globally that has enabled us to serve customers in over 23 countries for helmets under the *SMK* brand and 21 countries for helmets under the *Studds* brand, as of June 30, 2018. As of June 30, 2018, we had tie-ups with 363 dealers in India and had sold our products to 30 importers across Europe, North America, Asia, Latin America, Central America and Africa for our export operations. Our sale volumes are dependent on the reach of our distribution network. We believe that our well-developed sales and distribution network in India and globally is our key strength and distinguishes us from competition in a market where the lack of well-developed distribution network can create natural entry barriers. In order to strengthen our dealer relationships and incentivize sale of our products, we usually provide target incentives to our dealers. We have provided target incentives of ₹ 110.15 million, ₹ 94.22 million and ₹ 88.19 million to our dealers for Fiscals 2018, 2017 and 2016, respectively. However, we may not be able to match with the target incentives provided by some our competitors. We cannot assure you that we will successfully identify or appoint new dealers or effectively manage our existing dealer network. Our inability to maintain our existing dealer network or to expand it proportionately with the proposed increase in our manufacturing facilities, can adversely affect our sales, results of operation and business.

Further, our dealers place bulk orders with us. In the event our dealers are unable to accurately predict the demand for our products or if they are delayed in placing orders with us or if they do not effectively market our products or market the products of our competitors, our business and results of operations may be adversely affected.

Availability and price of raw materials

Our business operations are primarily dependent on the availability of polycarbonate, cloth, ABS, thermocol, buckle, PPCP, paints and visors used in the production of the majority of our products and our ability to procure sufficient amounts of quality raw materials at commercially viable prices. Raw material costs (consisting of the costs of materials consumed) constitute the most significant portion of our expenditures, representing 46.64%, 46.21% and 46.58% of our Adjusted Revenue for Fiscals 2018, 2017 and 2016, respectively. ABS represents the largest cost of our raw materials and accounted for 12.42%, 10.65% and 11.01% of our Adjusted Revenue for Fiscals 2018, 2017 and 2016, respectively. We have long standing relationships with certain of our suppliers although we do not have any long term contracts with such third parties. We procure all of our raw materials by way of purchase orders on an on-going basis and therefore, are required to pay the market rate of such products.

The availability and price of raw materials and commodity prices is subject to a number of factors beyond our control including changes in global economic conditions, industry cycles, demand-supply dynamics and attempts by particular producers to capture market share. Interruption of, or a shortage in the supply of, raw materials may result in our inability to operate our production facilities at optimal capacities, leading to a decline in production and sales. In addition, while competition for procuring raw material may result in an increase in raw material prices, our ability to pass on such increases in overall operational costs may be limited. Furthermore, any increase in the cost of raw materials which results in an increase in prices of our products, may reduce demand for our products and thereby affect our margins and profitability.

Revenues from exports and foreign currency fluctuations

We have a strong presence in the export markets for two-wheeler helmets, with our export sales accounting for 7.97%, 8.79% and 7.21% of our Adjusted Revenue for Fiscals 2018, 2017 and 2016. As of June 30, 2018, our helmets under the *SMK* brand are marketed in 23 countries in Asia, Latin America and Europe and helmets under our *Studds* brand are marketed in 21 countries in Asia, Latin America, Central America and Africa.

Our Restated Financial Information is presented in Indian Rupees. However, our revenues are influenced by the currencies of those countries where we sell our products. Rate fluctuations can therefore have a significant impact on our revenue from export sales.

We face exchange rate risk as a result of the fluctuations in the value of the Rupee against the U.S. Dollar and other major currencies. An appreciation of the Rupee causes our export products to be less competitive by raising our prices in U.S. Dollar terms, or alternatively requires us to reduce the Rupee price we charge for export sales, either of which could adversely affect our profitability. In addition, depreciation of the Rupee may adversely affect the results of our operations because, among other things, it causes foreign exchange translation losses on liabilities, which lower our earnings for accounting purposes.

SIGNIFICANT ACCOUNTING POLICIES UNDER IND AS

Basis of consolidation

Our Restated Financial Statements 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.

Use of Estimates and Judgments

The preparation of our Restated Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to our 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.

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.

Income from Services

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

Dividends and Interest Income

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

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

Foreign currency transactions

The financial statements are presented in Indian Rupee ('INR' or 'INR') which is also the functional currency of our Company, rounded off to million with two decimal places.

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.

Property, Plant and Equipment

Property, Plant and Equipment 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 our 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.

On transition to Ind AS, our Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

Intangible Assets

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

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

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

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

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

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

Borrowing Costs

Borrowing cost includes interest expense as per the effective interest rate.

Borrowing costs are 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 our Company during the period/year.

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; and

- **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.

Provisions and Contingencies

Provisions are recognised when our 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 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 our 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.

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 recognized 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.

Defined Benefit Plans

Our Company has defined benefit plans namely gratuity for employees. The liability or asset recognized 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.

Defined Contribution Plans

our Company has defined contribution plans for post retirements benefits, namely, Employee Provident Fund Scheme administered through Provident Fund Commissioner. Our Company's contribution is charged to revenue every year. Our Company has no further payment obligations once the contributions have been paid. Our 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.

Cash and Cash Equivalents

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

Taxes

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. Our 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 recognized for all taxable temporary differences. Deferred tax assets are recognized 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 utilized. Such deferred tax assets and liabilities are not recognized 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.

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, our Company has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 1, 2016) to Ind AS on the basis of the facts and circumstances existing as at that date.

Impairment of Non-Financial Assets

Our 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, our Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units 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 cash-generating units 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.

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 our Company becomes a party to the contractual provisions of the instrument.

Financial Assets

Initial recognition and measurement

All financial assets (other than equity investment in subsidiaries) are recognized 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 recognized on the trade date, i.e., the date that our Company commits to purchase or sell the asset.

Subsequent measurement

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

Trade & Other Receivables

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

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Revenue from Operations

Our revenue from operations is primarily generated from (i) domestic sales of our products, including helmets and other wearable and non-wearable two-wheeler lifestyle accessories; and (ii) export sale of helmets. The following table shows our revenue from operations and other income:

(*in ₹ million, except percentages***)**

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Sale of goods (inland sales)	3,102.93	2,851.72	2,734.16
Percentage of revenue from operations (% of A)	*92.23%*	*92.25%*	*93.66%*
Sale of goods (exports sales)	261.52	239.54	185.18
Percentage of revenue from operations (% of A)	*7.77%*	*7.75%*	*6.34%*
A. Revenue from operations	**3,364.44**	**3,091.25**	**2,919.34**
Other income- Recurring			
Interest income	28.31	18.15	8.91
Percentage of revenue from operations (% of A)	*0.84%*	*0.59%*	*0.31%*
Rent Income	2.22	2.06	1.92
Percentage of revenue from operations (% of A)	*0.07%*	*0.07%*	*0.07%*
Miscellaneous Income	1.74	1.77	1.84

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Percentage of revenue from operations (% of A)	*0.05%*	*0.06%*	*0.06%*
Other income-Non-Recurring			
Gain on change in fair value of Investments	-	0.01	-
Percentage of revenue from operations (% of A)	-	*0.00%*	-
Profit on Sale of Investments	17.60	-	-
Percentage of revenue from operations (% of A)	*0.52%*	-	-
B. Other Income	**49.88**	**21.98**	**12.67**
Percentage of revenue from operations (% of A)	*1.48%*	*0.71%*	*0.43%*
Total revenue (A+B)	**3,414.32**	**3,113.23**	**2,932.01**

Details of Adjusted Revenue

Consequent to introduction of Goods and Service Tax ("**GST**") with effect from July 1, 2017, central excise and value added tax have been subsumed into GST. In accordance with Ind AS 18, GST is not considered a part of revenue unlike excise duties which used to be included in revenue in period before July 1, 2017. Accordingly, the figures for the year ending March 31, 2018 are not strictly comparable with the previous fiscal year(s). Therefore, for the sake of comparison, revenue from operations have been presented as adjusted for excise duty as follows:

(*in ₹ million***)**

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Revenue from operations (including excise duty)	3,364.44	3,091.25	2,919.34
Excise Duty	87.18	368.54	351.32
Revenue from operations (excluding excise duty) ("Adjusted Revenue")	**3,277.26**	**2,722.71**	**2,568.02**

Other Income

Other income includes (i) certain recurring income including interest income, rent income and miscellaneous income and (ii) certain non-recurring income including gain on change in the fair value of investments and profit on sale of investments.

Expenses

Our expenses comprise of (i) cost of materials consumed; (ii) (Increase)/decrease in inventories of finished goods and work-in-progress; (iii) excise duty on sale of goods; (iv) employee benefit expenses; (v) finance costs; (vi) depreciation and amortization expense; and (vii) other expenses.

The following table sets forth our expenditure in Rupees and as a percentage of our revenue from operations for the periods indicated:

(in ₹ million, except percentages)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Cost of raw materials consumed	1,528.56	1,258.11	1 ,196.23
Percentage of revenue from operations	*45.43%*	*40.70%*	*40.98%*
Increase)/decrease in inventories of finished goods and work-in-progress	6.38	(19.63)	(6.74)
Percentage of revenue from operations	*1.19%*	*(0.64)%*	*(0.23)%*
Excise duty on sale of goods	87.18	368.54	351.32
Percentage of revenue from operations	*2.59%*	*11.92%*	*12.03%*
Employee benefit expenses	318.82	271.17	219.54
Percentage of revenue from operations	*9.48%*	*8.77%*	*7.52%*
Finance costs	3.47	3.61	5.18
Percentage of revenue from operations	*0.10%*	*0.12%*	*0.17%*
Depreciation and amortization expense	57.39	52.23	38.29
Percentage of revenue from operations	*1.71%*	*1.69%*	*1.31%*
Other expenses	901.30	810.55	740.16

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Percentage of revenue from operations	*26.79%*	*26.22%*	*25.35%*
Total expenses	**2,903.10**	**2,744.60**	**2,543.99**

Cost of materials consumed

Cost of materials consumed comprises of raw material costs incurred in production of our helmets. The primary raw materials involved in the manufacture of our products include polycarbonate, cloth, ABS, thermocol, buckle, PPCP, paints and visors used in the production of the majority of our products.

(Increase)/decrease in inventories of finished goods and work-in-progress

(Increase)/decrease in inventories of finished goods and work-in-progress consist of costs attributable to an increase or decrease in inventory levels during the relevant financial period in finished goods and work-in progress.

Excise duty on sale of goods

Excise duty relates to such duty on sale of goods made during the relevant fiscal period.

Employee benefit expenses

Employee benefits expense includes (i) salaries, wages and bonus; (ii) contribution to provident fund and other funds, and (iii) employee welfare expenses.

Finance costs

Finance cost includes incudes interest paid on term loans, cash credit/overdraft, vehicle loans, unsecured loans and dealer security deposits, measured at amortized cost.

Depreciation and amortization expense

Depreciation represents depreciation on our fixed assets including buildings, plant and machinery, furniture and fittings, office appliances, computers and vehicles. Amortization represents amortization on our intangible assets which includes our computer software.

Other expenses

Other expenses include processing charges, packaging and forwarding, power and fuel charge, store consumed, cartage outward, target incentives, rent expense, insurance expenses, repairs and maintenance of plant and machinery and building, rates and taxes and travel and conveyance related expenses, loss on sale of property, plant and equipment, loss on change in fair value of investments, travelling and conveyance expenses, commission on sales, advertisement, bank charges and miscellaneous expenses.

RESULTS OF OPERATIONS

Fiscal 2018 compared with Fiscal 2017

Revenue

Revenue from operations

Our revenue from operations increased by 8.84% from ₹ 3,091.25 million in Fiscal 2017 to ₹ 3,364.44 million in Fiscal 2018. Our Adjusted Revenue increased by 20.37% from ₹ 2,722.71 million in Fiscal 2017 to ₹ 3,277.26 million in Fiscal 2018. This increase was a primarily on account of organic growth in sale of two-wheeler helmets under our brands, *Studds* and *SMK*, and growth of wearable and non-wearable two-wheeler lifestyle accessories, driven by increase in demand of our products in India and globally.

Revenue from domestic sale of goods represents the significant majority of our revenue from operations. Revenue from domestic sale of goods represented 92.23% and 92.25% of the revenue from operations in Fiscal 2017 and Fiscal 2018, respectively.

Other income

Other income increased by 126.93% from ₹ 21.98 million in Fiscal 2017 to ₹ 49.88 million in Fiscal 2018, primarily due to one-time non-recurring income of ₹ 17.60 million arising from the profit on sale of the Company's erstwhile subsidiary, M.G. Steel Limited and increase in the interest income.

Expenditure

Cost of materials consumed

Cost of raw materials consumed increased by 21.50% from ₹ 1,258.11 million in Fiscal 2017 to ₹ 1,528.56 million in Fiscal 2018 on account of increased production of our helmets and two-wheeler lifestyle accessories, in-line with growth of our Adjusted Revenue.

The following table sets forth certain information relating to our cost of raw materials consumed presented as a percentage of revenue from operations:

Raw Material Consumed	Fiscal 2018		Fiscal 2017		Percentage Change
	Amount (₹ million)	Percentage of Adjusted Revenue (%)	Amount (₹ million)	Percentage of Adjusted Revenue (%)	(%)
Polycarbonate	148.20	4.52%	101.56	3.73%	45.92
Cloth	114.88	3.51%	96.97	3.56%	18.47
ABS	407.19	12.42%	290.01	10.65%	40.41
Thermocol	142.01	4.33%	102.48	3.76%	38.57
Buckle	43.67	1.33%	40.31	1.48%	8.34
PPCP	32.54	0.99%	26.91	0.99%	20.92
Paints	117.46	3.58%	118.43	4.35%	(0.82)
Visors	3.43	0.10%	4.40	0.16%	(22.05)
Other Components	519.19	15.84%	477.04	17.52%	8.84
Total	**1,528.56**	**46.62%**	**1,258.11**	**46.20%**	

As a percentage of our Adjusted Revenue, cost of materials consumed was 46.20% in Fiscal 2017 compared to 46.62% in Fiscal 2018. The cost of polycarbonate consumed increased by 45.92% from ₹ 101.56 million in Fiscal 2017 to ₹ 148.20 million in Fiscal 2018 and the cost of ABS increased 18.47% from ₹ 290.01 million in Fiscal 2017 to ₹ 407.19 million in Fiscal 2018, primarily due to increased production of our helmets and the general increase in the price of industrial commodities driven by increase in price of crude oil. The cost of materials consumed was partially offset by (i) cost of paints which decreased by 0.82% from ₹ 118.43 million in Fiscal 2017 to ₹ 117.46 million in Fiscal 2018 and (ii) cost of visors which decreased by 22.05% from ₹ 4.40 million in Fiscal 2017 to ₹ 3.43 million in Fiscal 2018.

(Increase)/decrease in inventories of finished goods and work-in-progress

(Increase)/decrease in inventories of finished goods and work-in-progress decreased by 132.50% from an increase of ₹ 19.63 million in Fiscal 2017 to a decrease of ₹ 6.38 million in Fiscal 2018 primarily due to increase in sales and the growth of our business. (Increase)/decrease in inventories of finished goods and work in progress was 0.72% of our Adjusted Revenue in Fiscal 2017 and was (0.19)% of our Adjusted Revenue in Fiscal 2018.

Excise duty on sale of goods

Excise duty decreased by 76.34% from ₹ 368.54 million in Fiscal 2017 to ₹ 87.18 million in Fiscal 2018, primarily as a result of implementation of GST (from July 1, 2017) which subsumed the excise duty, as a result of which excise duty was only applicable for three months in Fiscal 2018 as compared to full year in Fiscal 2017.

Employee benefit expenses

Employee benefit expenses increased by 17.57% from ₹ 271.17 million in Fiscal 2017 to ₹ 318.82 million in Fiscal 2018, primarily due to increase in (i) salaries, wages and bonus, (ii) contribution to provident fund and other fund, and (iii) employee welfare expenses, which was due to increase in the employees from 1,606 in Fiscal

2017 to 1,722 in Fiscal 2018, which increased due to growth in our manpower requirements as a result of growth of our production volumes in Fiscal 2018. Our employee benefit expenses were 9.96% of our Adjusted Revenue in Fiscal 2017 compared to 9.73% of our Adjusted Revenue in Fiscal 2018.

Finance costs

Finance costs decreased by 3.88% from ₹ 3.61 million in Fiscal 2017 to ₹ 3.47 million in Fiscal 2018. The decrease in finance costs was primarily on account of decrease in interest on borrowings on vehicle loans and unsecured loans, which was partially offset by increase in interest on dealer security deposits. Our finance costs were 0.13% of our Adjusted Revenue in Fiscal 2017 compared to 0.11% of our Adjusted Revenue in Fiscal 2018.

Depreciation and amortisation expense

Depreciation and amortisation expenses increased by 9.88% from ₹ 52.23 million in Fiscal 2017 to ₹ 57.39 million in Fiscal 2018, as a result of depreciation of tangible assets increasing by 9.77% from ₹ 51.10 million in Fiscal 2017 to ₹ 56.09 million in Fiscal 2018 and amortisation of intangible assets increasing 14.03% from ₹ 1.14 million in Fiscal 2017 to ₹ 1.30 million in Fiscal 2018. The increase in our depreciation expense was primarily due to additions of new machinery, moulds and dies for the production of our *SMK* helmets. Our depreciation and amortisation expenses were 1.92% of our Adjusted Revenue in Fiscal 2017 compared to 1.75% of our Adjusted Revenue in Fiscal 2018.

Other expenses

Other expenses increased by 11.20% from ₹ 810.55 million in Fiscal 2017 to ₹ 901.30 million in Fiscal 2018. The increase in other expenses was primarily a result of:

- an increase in processing charges by 13.16% from ₹ 100.63 million for Fiscal 2017 to ₹ 113.87 million for Fiscal 2018.
- an increase in packing and forwarding charges by 23.43% from ₹ 155.84 million for Fiscal 2017 to ₹ 192.35 for Fiscal 2018.
- an increase in cartage outward by 24.50% from ₹ 120.55 million for Fiscal 2017 to ₹ 150.09 million for Fiscal 2018.
- an increase in the target incentives provided to our dealers by 16.91% from ₹ 94.22 million for Fiscal 2017 to ₹ 110.15 million for Fiscal 2018.

The above increases were partially offset by:

- a decrease in the power and fuel related expenses by 0.74% from ₹ 105.82 million for Fiscal 2017 to ₹ 106.61 million for Fiscal 2018.
- a decrease in the store consumed by 2.21% from ₹ 35.69 million for Fiscal 2017 to ₹ 34.90 million for Fiscal 2018.
- a decrease in the repair and maintenance related expenses by 33.12% from ₹ 56.59 million for Fiscal 2017 to ₹ 42.51 million for Fiscal 2018.
- a decrease in the legal and professional expenses by 33.01% from ₹ 33.77 million for Fiscal 2017 to ₹ 22.62 million for Fiscal 2018.
- a decrease in the bank charges by 56.70% from ₹ 1.94 million for Fiscal 2017 to ₹ 0.84 million for Fiscal 2018.

Our other expenses were 29.77% of our Adjusted Revenue in Fiscal 2017 compared to 27.50% of our Adjusted Revenue in Fiscal 2018.

Profit before tax

As a result of the foregoing, our profit before tax increased by 38.68% from ₹ 368.63 million in Fiscal 2017 to ₹ 511.22 million in Fiscal 2018.

Tax expense

Current tax expenses increased by 52.15% from ₹ 113.49 million in Fiscal 2017 to ₹ 172.67 million in Fiscal 2018. Deferred tax expenses decreased by 23.43 % from ₹ 17.54 million in Fiscal 2017 to ₹ 13.43 million in Fiscal 2018. Tax relating to earlier periods increased by 253.85% from ₹ 0.13 million in Fiscal 2017 to ₹ 0.46 million in

Fiscal 2018.

Profit for the year

For the various reasons discussed above, and following adjustments for tax expense, we recorded an increase in profit after tax by 36.72% from ₹ 237.47 million in Fiscal 2017 to ₹ 324.66 million in Fiscal 2018. Our profit margins in terms of our Adjusted Revenue was 8.72% in Fiscal 2017 as compared to 9.91% in Fiscal 2018.

Fiscal 2017 compared with Fiscal 2016

Revenue

Revenue from operation

Our revenue from operations increased by 5.89% from ₹ 2,919.34 million in Fiscal 2016 to ₹ 3,091.25 million in Fiscal 2017. Our Adjusted Revenue increased by 6.02% from ₹ 2,568.02 million in Fiscal 2016 to ₹ 2,722.71 million in Fiscal 2017. This increase was primarily on account of organic growth in sale of two-wheeler helmets under our brands, *Studds* and *SMK*, and wearable and non-wearable two-wheeler lifestyle accessories, driven by increase in demand of our products in India and globally. However, our revenue growth in Fiscal 2017 was partially offset primarily on account of demonetization of ₹ 500 and ₹ 1,000 notes by the Government of India in November, 2016. Demonetization adversely impacted the demand of two-wheeler vehicles and consequently also created disruptions in the sale of our products, especially in our semi-urban and rural markets

Revenue from domestic sale of goods represents the significant majority of our revenue from operations. Revenue from domestic sale of goods represented 93.66% and 92.23% of the revenue from operations in Fiscal 2016 and Fiscal 2017, respectively.

Other income

Other income increased by 73.48% from ₹ 12.67 million in Fiscal 2016 to ₹ 21.98 million in Fiscal 2017, primarily due to an increase in bank balances resulting in a corresponding increase in the interest income earned on these balances, as well as, increase in the rent income, which was partially offset by decrease in miscellaneous income.

Expenditure

Cost of materials consumed

Cost of raw materials consumed increased by 5.17% from ₹ 1,196.23 million in Fiscal 2016 to ₹ 1,258.11 million in Fiscal 2017 which was primarily driven by the increase in sale of our products and growth of our business, in-line with the growth of our Adjusted Revenue.

The following table sets forth certain information relating to our cost of raw materials consumed presented as a percentage of revenue from operations:

Raw Material Consumed	Fiscal 2017		Fiscal 2016		Percentage Change
	Amount (₹ million)	Percentage of Adjusted Revenue (%)	Amount (₹ million)	Percentage of Adjusted Revenue (%)	(%)
Polycarbonate	101.56	3.73%	100.97	3.93%	0.58%
Cloth	96.97	3.56%	102.76	4.00%	(5.63)%
ABS	290.01	10.65%	282.72	11.01%	2.58%
Thermocol	102.48	3.76%	89.59	3.49%	14.39%
Buckle	40.31	1.48%	42.38	1.65%	(4.88)%
PPCP	26.91	0.99%	24.91	0.97%	8.03%
Paints	118.43	4.35%	114.10	4.44%	3.79%
Visors	4.40	0.16%	10.00	0.39%	(56.00)%
Other Components	477.04	17.52%	428.79	16.70%	11.25%
Total	**1,258.11**	**46.20%**	**1,196.23**	**46.58%**	

As a percentage of our Adjusted Revenue, cost of materials consumed was 46.58% in Fiscal 2016 compared to 46.20% in Fiscal 2017. The cost of polycarbonate consumed increased by 0.58% from ₹100.97 million in Fiscal 2016 to ₹ 101.56 million in Fiscal 2017 and the cost of ABS increased 2.58% from ₹ 282.72 million in Fiscal 2017 to ₹ 290.01 million in Fiscal 2017, primarily due to increased production of our helmets in-line with the growth our business. The cost of materials consumed was partially offset by (i) cost of cloth which decreased by 5.63% from ₹ 102.76 million in Fiscal 2016 to ₹ 96.97 million in Fiscal 2017; (ii) cost of buckle which decreased by 4.88% from ₹ 42.38 million in Fiscal 2016 to ₹ 40.31 million in Fiscal 2017 and (ii) cost of visors which decreased by 56.00% from ₹ 10.00 million in Fiscal 2016 to ₹ 4.40 million in Fiscal 2017.

(Increase)/decrease in inventories of finished goods and work-in-progress

(Increase)/decrease in inventories of finished goods and work-in-progress increased by 191.25% from an increase of ₹ 6.74 million in Fiscal 2016 to an increase of ₹ 19.63 million in Fiscal 2017 primarily due to increase in inventory of finished goods and work-in-progress. (Increase)/decrease in inventories of finished goods and work in progress was 0.26% of our Adjusted Revenue in Fiscal 2016 and was 0.72% of our Adjusted Revenue in Fiscal 2017.

Excise duty on sale of goods

Excise duty on sale of goods increased by 4.90% from ₹ 351.32 million in Fiscal 2016 to ₹ 368.54 million in Fiscal 2017, in-line with the increase in sale of our products.

Employee benefit expenses

Employee benefits expenses increased by 23.52% from ₹ 219.54 million in Fiscal 2016 to ₹ 271.17 million in Fiscal 2017, primarily due to increase in (i) salaries, wages and bonus, (ii) contribution to provident fund and other fund, which was due to increase in the employees from 1,598 in Fiscal 2016 to 1,606 in Fiscal 2017. This increase was partially offset by a decrease in employee welfare expenses. Our employee benefit expenses were 8.55% of our Adjusted Revenue in Fiscal 2016 compared to 9.96% of our Adjusted Revenue in Fiscal 2017.

Finance costs

Finance costs decreased by 30.31% from ₹ 5.18 million in Fiscal 2016 to ₹ 3.61 million in Fiscal 2017. The decrease in finance costs was primarily on account of decrease in our borrowings, which was partially offset by increase in interest on dealer security deposits. Our finance costs were 0.20% of our Adjusted Revenue in Fiscal 2017 compared to 0.13% of our Adjusted Revenue in Fiscal 2017.

Depreciation and amortisation expense

Depreciation and amortisation expenses increased by 36.41% from ₹ 38.29 million in Fiscal 2016 to ₹ 52.23 million in Fiscal 2017, as a result of depreciation of tangible assets increasing by 37.03% from ₹ 37.29 million in Fiscal 2016 to ₹ 51.10 million in Fiscal 2017 and amortisation of intangible assets increasing 14% from ₹ 1.00 million in Fiscal 2016 to ₹ 1.14 million in Fiscal 2017. The increase in our depreciation expense was primarily due to additional new machinery, moulds and dies installed by us for the launch of the *SMK* brand of helmets. Our depreciation and amortisation expenses were 1.50% of our Adjusted Revenue in Fiscal 2016 compared to 1.92% of our Adjusted Revenue in Fiscal 2017.

Other expenses

Other expenses increased by 9.51% from ₹ 740.16 million in Fiscal 2016 to ₹ 810.55 million in Fiscal 2017. The increase in other expenses was primarily a result of:

- an increase in processing charges by 21.93% from ₹ 82.53 million for Fiscal 2016 to ₹ 100.63 million for Fiscal 2017.
- an increase in packing and forwarding charges by 1.96% from ₹ 152.84 million for Fiscal 2016 to ₹ 155.84 for Fiscal 2017.
- an increase in the power and fuel related expenses 18.98% from ₹ 89.60 million for Fiscal 2016 to ₹ 106.61 for Fiscal 2017.
- an increase in cartage outward by 4.63% from ₹ 115.22 million for Fiscal 2016 to ₹ 120.55 million for Fiscal 2017.

- an increase in the target incentives provided to our dealers by 6.84% from ₹ 88.19 million for Fiscal 2016 to ₹ 94.22 million for Fiscal 2017.

The above increases were partially offset by:

- a decrease in the store consumed by 12.97% from ₹ 41.01 million for Fiscal 2016 to ₹ 35.69 million for Fiscal 2017.
- a decrease in the repair and maintenance related expenses by 7.85% from ₹ 61.03 million for Fiscal 2016 to ₹ 56.59 million for Fiscal 2017.

Our other expenses were 28.82% of our Adjusted Revenue in Fiscal 2016 compared to 29.77% of our Adjusted Revenue in Fiscal 2017.

Profit before tax

As a result of the foregoing, our profit before tax decreased by 5.00% from ₹ 388.02 million in Fiscal 2016 to ₹ 368.63 million in Fiscal 2017.

Tax expense

Current tax expenses decreased by 8.41% from ₹ 123.91 million in Fiscal 2016 to ₹ 113.49 million in Fiscal 2017. Deferred tax expenses increased by 7.34% from ₹ 16.34 million in Fiscal 2016 to ₹ 17.54 million in Fiscal 2017. Tax relating to earlier periods decreased by 84.88% from ₹ 0.86 million in Fiscal 2016 to ₹ 0.13 million in Fiscal 2017.

Profit for the year

For the various reasons discussed above, and following adjustments for tax expense, we recorded a decrease in profit for the year by 3.83% from ₹ 246.92 million in Fiscal 2016 to ₹ 237.47 million in Fiscal 2017. Our profit margins in terms of our Adjusted Revenue was 9.62% in Fiscal 2016 as compared to 8.72% in Fiscal 2017.

Cash Flows

The following table sets forth certain information relating to our cash flows under Ind AS in Fiscal 2016, 2017 and 2018:

	Fiscal 2018	**Fiscal 2017**	**Fiscal 2016**
		(₹ million)	
Net cash generated from/(used in) operating activities	426.25	230.54	347.92
Net cash generated from/(used in) investing activities	(319.38)	(209.92)	(356.19)
Net cash generated from/ (used in) the financing activities	(36.26)	(2.70)	(71.91)
Net increase/(decrease) in cash and cash equivalents	70.60	17.91	(80.18)
Cash and cash equivalents at the beginning of the year	101.56	83.65	163.83
Cash and cash equivalents at the end of the periods / years	171.44	101.56	83.65

Operating Activities

Fiscal 2018

In Fiscal 2018, net cash flows generated from operating activities was ₹ 426.25 million. Our profit before tax was ₹ 511.22 million, which was adjusted for certain non-cash and other items in a net amount of ₹ 11.16 million resulting in an operating profit before working capital changes of ₹ 522.38 million.

The following key adjustments were made to operating profit before working capital changes to arrive at cash flow from operating activities:

- an increase in the movement in trade and other payables of ₹ 134.04 million.
- a decrease in the movement in trade and other receivables of ₹ 76.49 million.
- a decrease in the movement in inventories of ₹ 16.81 million.

We paid a direct tax of ₹ 136.88 million. The cash generated from our operations increased from ₹ 398.92 million in Fiscal 2017 to ₹ 563.13 million in Fiscal 2018.

Fiscal 2017

In Fiscal 2017, net cash flows generated from operating activities was ₹ 230.54 million. Our profit before tax was ₹ 368.63 million, which was adjusted for certain non-cash and other items in a net amount of ₹ 35.62 million resulting in an operating profit before working capital changes of ₹ 404.25 million.

The following key adjustments were made to operating profit before working capital changes to arrive at cash flow from operating activities:

- a decrease in the movement in trade and other payables of ₹ 17.09 million.
- an increase in the movement in trade and other receivables of ₹ 43.42 million.
- a decrease in the movement in inventories of ₹ 31.65 million.

We paid a direct tax of ₹ 168.39 million. The cash generated from our operations decreased from ₹ 426.02 million in Fiscal 2016 to ₹ 398.92 million in Fiscal 2017.

Fiscal 2016

In Fiscal 2016, net cash flows generated from operating activities was ₹ 347.92 million. Our profit before tax was ₹ 388.02 million, which was adjusted for certain non-cash and other items in a net amount of ₹ 30.98 million resulting in an operating profit before working capital changes of ₹ 419.01 million.

The following key adjustments were made to operating profit before working capital changes to arrive at cash flow from operating activities:

- an increase in the movement in trade and other payables of ₹ 83.05 million.
- a decrease in the movement in trade and other receivables of ₹ 51.10 million.
- a decrease in the movement in inventories of ₹ 24.94 million.

We paid a direct tax of ₹ 78.10 million. The cash generated from our operations in Fiscal 2016 was ₹ 426.02 million.

Investing Activities

Fiscal 2018

Net cash used in investing activities was ₹ 319.38 million in Fiscal 2018, which primarily consisted of ₹ 228.92 million on expenses relating to purchase of property, plant and equipment and ₹ 149.36 million used for investment in fixed deposits. This amount was partly offset by ₹ 0.14 million received pursuant to sale of property, plant and equipment, ₹ 26.49 million received from sale of investments, ₹ 2.22 million of rent received, ₹ 28.31 million of interest received and ₹ 1.74 million of other income received.

Fiscal 2017

Net cash used in investing activities was ₹ 209.92 million in Fiscal 2017, which primarily consisted of ₹ 120.73 million on expenses relating to purchase of property, plant and equipment and ₹ 112.46 million used for investment in fixed deposits. This amount was partly offset by ₹ 1.29 million received pursuant to sale of property, plant and equipment, ₹ 2.06 million of rent received, ₹ 18.15 million of interest received and ₹ 1.77 million of other income received.

Fiscal 2016

Net cash used in investing activities was ₹ 356.19 million in Fiscal 2016, which primarily consisted of ₹ 167.12 million on expenses relating to purchase of property, plant and equipment and ₹ 203.61 million used for investment in fixed deposits. This amount was partly offset by ₹ 1.94 million received pursuant to sale of property, plant and equipment, ₹ 1.92 million of rent received, ₹ 8.84 million of interest received and ₹ 1.84 million of other income received.

Financing Activities

Fiscal 2018

Net cash used in financing activities in Fiscal 2018 was ₹ 36.26 million. This primarily resulted from repayment of non-current borrowings (net) of ₹ 21.10 million, payment of dividend and dividend distribution tax of ₹ 11.69 million and interest payments of ₹ 3.47 million.

Fiscal 2017

Net cash used in financing activities in Fiscal 2017 was ₹ 2.70 million. This primarily resulted from payment of dividend and dividend distribution tax of ₹ 1.27 million and interest payments of ₹ 3.61 million. This was partially offset by proceeds received from non-current borrowings (net) of ₹ 2.18 million

Fiscal 2016

Net cash used in financing activities in Fiscal 2016 was ₹ 71.91 million. This primarily resulted from repayment of borrowings (net) of ₹ 48.42 million, payment of dividend and dividend distribution tax of ₹ 18.31 million and interest payments of ₹ 5.18 million.

LIQUIDITY AND CAPITAL RESOURCES

We fund our operations primarily with cash flow from operating activities. Our main uses of funds from operating activities have been to pay for our working capital requirements and capital expenditure. We evaluate our funding requirements regularly in light of our cash flow from our operating activities and market conditions. To the extent we do not generate sufficient cash flow from operating activities, we may rely on other debt or equity financing activities, subject to market conditions.

Our Company had cash and cash equivalents of ₹ 171.44 million as of March 31, 2018, ₹ 101.56 million as of March 31, 2017 and ₹ 83.65 million as of March 31, 2016. As of March 31, 2018, we had total non-current borrowings of ₹ 3.51 million.

CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

As of March 31, 2018, our contingent liabilities that had not been provided for were as follows:

Particulars	**As of March 31, 2018 (₹ million)**
Contingent liabilities	
Sales tax demand	43.45
Electricity penal demand	5.69

Commitments

The following table presents the details of our commitments (net of advanced) as of March 31, 2018:

Particulars	**As of March 31, 2018 (₹ million)**
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.82
Total	0.82

For further information on our contingent liabilities and commitments, see "***Financial Statements***" on page 167.

Capital expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for investments in freehold land, plant and equipment for our manufacturing facilities and other intangible assets.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business including short-term employee benefits, post-employment benefits, interest on loan, rent paid, CSR expenditure and unsecured loans given/repaid. For further information relating to our related party transactions, see "***Financial Statements***" on page 167.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates, of financial instruments. In the normal course of business, we are exposed to certain market risks including credit risk, liquidity risk and market risk (fluctuations in foreign currency exchange rates and interest rate).

Inflation risk

High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in our raw material prices, employee benefit payments or expected salary or other expenses as a result of increase in inflation in India, which we are unable to pass on to our customers, whether entirely or in part, may adversely affect our business and financial condition.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. Interest rates for borrowings have been volatile in India in recent periods. Any increases in interest expense may have an adverse effect on our results of operations and financial condition. We mitigate this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Liquidity risk

Adequate and timely cash availability for our operations is the liquidity risk associated with our operations. We require substantial amounts of working capital for our business operations such as maintaining and operating our manufacturing facilities, marketing and distributing our products, developing new products and enhance existing products and the failure to obtain such capital may adversely affect our growth prospects and future profitability.

Foreign exchange rate risk

Changes in currency exchange rates influence our results of operations. A portion of our revenues, particularly relating to our export sales, is denominated in currencies other than Indian Rupees, most significantly the U.S. Dollar. Similarly, our revenues from export of helmets outside India are denominated in currencies other than Indian Rupees. There can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other relevant foreign currencies.

Commodity Price Risk

We are exposed to the price risk associated with purchasing our key raw materials such as polycarbonate, cloth, ABS, thermocol, buckle, PPCP, paints and visors. We generally do not enter into long-term firm price contracts for the supply of key raw materials, but instead buy the majority of our raw materials at market prices on a spot contract basis. Therefore fluctuations in the price and availability of these raw materials may adversely affect our business and results of operations.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

KNOWN TRENDS OR UNCERTAINTIES

Other than as described in this Draft Red Herring Prospectus, particularly in the sections "***Risk Factors***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 14 and 299, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND REVENUE

Other than as described in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 14, 129 and 299, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as disclosed in this chapter and in "***Our Business***" on page 129, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

SEASONALITY OF BUSINESS

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, there is an increase in our business during the third and fourth quarters of each Fiscal. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods.

MATERIAL DEVELOPMENTS SUBSEQUENT TO MARCH 31, 2018

- Pursuant to a shareholders' resolution dated July 7, 2018 each equity share of our Company of face value of ₹ 10 each was split into two equity shares of ₹ 5 each, therefore, 1,093,150 equity shares of ₹ 10 each were split into 2,186,300 Equity Shares. For more details, see "***Capital Structure***" on page 65.

- On July 16, 2018, our Company issued 17,490,400 Equity Shares pursuant to a bonus issue of Equity Shares to our existing shareholders of our Company. For more details, see "***Capital Structure***" on page 65.

FINANCIAL INDEBTEDNESS

Our Company avails of credit facilities from time to time in the ordinary course of its business. Pursuant to our Articles of Association, subject to applicable laws and pursuant to a resolution passed by our shareholders on April 26, 2018, our Board has been authorised to borrow sums of money with or without security, which, together with the monies borrowed by our Company (excluding temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) shall not exceed the amount of ₹ 5,000.00 million over and above the aggregate of the paid-up share capital and free reserves of our Company.

Facilities availed of by us

As of June 30, 2018 our Company has been sanctioned a secured borrowing of ₹ 480.00 million by way of a term loan and ₹ 10.00 million has been sanctioned to us by way of an overdraft working capital which includes a working capital demand loan. A sum of ₹ 380.00 million and ₹ 100.00 million have been earmarked for Manufacturing Facility III and Manufacturing Facility IV, respectively.

The amount of outstanding loans as on June 30, 2018 is ₹ 50.00 million. Our Company has not availed of any unsecured borrowings.

Key terms of our borrowings are disclosed below.

- *Tenor and interest rate*: The tenor of the term loan availed of by us is for a period of five years. The rate of interest is currently 8.75% per annum (1 year MCLR + 45 bps). The tenor of the working capital overdraft is payable on demand and the tenor of the working capital demand loan is 180 days. The rate of interest for the overdraft-work capital will be as mutually agreed upon between the lender and our Company.

- *Security*: Our borrowings are secured by way of personal guarantees by our Promoters; and by exclusive charge on our present and future plants and machinery, factory land and building, stock in trade, book debts and receivables and movable assets.

- Penalty: Any default by our Company in payment for dues or of any of the terms and conditions, would entail an addional interest charge of 2.00% on the entire loan amount.

- Events of default: Our borrowing arrangement contains standard events of default, including:

  i. If our Company commits any defualt in the payment of principal or interest of any obligation of our Company to the lender, when due and payable.

  ii. If any attachment, distress, execution or other process against our Company, or any of the securities is enforced or levied upon.

  iii. The death, insolvency, failure in business, commission of an act of bankruptcy, general assignment for the benefit of creditors, if our Company suspends payment to any creditors or threatens to do so, filing of any petition in bankruptcy of by, or against our Company or filing of up of any petition for winding up of our Company and not being withdrawn within 30 days of being admitted.

This is an indicative list and there are additional terms that may amount to events of default under the borrowings availed of by us.

- *Restrictive covenants*: Our Company, under its financing arrangements, requires the prior consent of the lender for carrying out certain actions, including:

  (i) To enter into any schemes of merger, amalgamation, compromise, or reconstruction.
  (ii) Change in ownership of or control of our Company.
  (iii) Material change in the management of the business of our Company.
  (iv) Amendments in our Company's Memorandum of Association and Articles of Association.
  (v) Create, assume or incur any further indebtedness.
  (vi) Declaration of dividend if any interest or installment towards principal remains unpaid.

The afore-mentioned list is indicative in nature and we have obtained a consent from our lender in respect of all restrictive covenants applicable on us.

For further details of the covenants required to be complied with in relation to our borrowing, see "***Risk Factor** – **Our loan agreement contains restrictive covenants which may adversely affect our business, results of operations and financial conditions.**"* on page 30.

SECTION VI – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings involving our Company, Promoters or Directors; (ii) outstanding actions taken by statutory or regulatory authorities involving our Company, Promoters or Directors; (iii) outstanding claims involving our Company, Promoters or Directors for any direct and indirect tax liabilities; (iv) outstanding dues to creditors of our Company as determined to be material by our Board of Directors as per the Materiality Policy in accordance with the SEBI ICDR Regulations; and (v) outstanding dues to micro, small and medium enterprises and other creditors.

Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on June 8, 2018 for the purposes of disclosure, all pending litigation involving our Company, Promoters or Directors, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending matter is equal to or in excess of 1.00% of the profit after tax of the Company as per the Restated Standalone Financial Statements for the last full financial year disclosed in the offer documents, i.e. ₹ 3.28 million or any such litigation, an adverse outcome of which would materially and adversely affect our Company's business, prospects, operations, financial position or reputation , irrespective of the amount involved in such litigation.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. LITIGATION INVOLVING OUR COMPANY

A. Criminal proceedings involving our Company

Criminal Litigation filed by our Company:

Our Company has filed a criminal complaint against M/s Speed King through its sole proprietor, Mrs. Neha Dhamija ("**Defendants**") before the court of the Chief Judicial Magistrate, First Class, Faridabad, Haryana ("**Court**") under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of a cheque. The Defendants is one of our dealers in helmets and purchases motorcycle helmets from our Company from time to time. Our Company has prayed for compensation of ₹ 1.71 million from the Court.

B. Tax proceedings involving our Company

(*in ₹ million*)

Particulars	Number of Cases	Ascertainable amount involved
Direct Tax	1	1.06
Indirect Tax	2	45.50

C. Other material outstanding litigation involving our Company

Material outstanding litigation by our Company

1. Our Company filed a suit against Shanta Hosiery Private Limited and Others ("**Defendants**") in May 2015 before the High Court of Delhi ("**Court**") alleging infringement of the trademark "STUDDS". Our Company has filed the suit on the grounds that the Defendants have copied the "STUDDS" trademark including the distinctive right hand slant and slight elongation of the font and has also claimed that the Defendants are using www.studds.in as their website to confuse consumers. The domain name earlier belonged to our Company. Our Company has further alleged that the Defendants have dishonestly registered the "STUDDS" trademark under Class 25 in violation of Section 11 of the Trademarks Act. We have approached the Court to restrain the Defendants from using the STUDDS trademark and the www.studds.in domain name. Additionally, we have sought damages amounting to ₹ 2.00 million from the Defendants. The Defendants have denied all the aforementioned allegations pursuant to a written statement filed by them before the Court on November 16, 2015. The matter is currently pending before the Court.

2. Our Company has initiated a suit before the District and Sessions Court, Faridabad, Haryana, against M/s Mohan Industries ("**Defendants**") in December 2017 to restrain the Defendants from manufacturing,

selling and dealing the "OZONE FENDER" helmet model as our Company has alleged that the OZONE FENDER Model is deceptively similar to the STUDDS CHROME ELITE model and claimed infringement under the Designs Act and the Trademarks Act. The "STUDDS CHROME ELITE MODEL" is registered with the Registrar of Patents. Our Company has alleged that the Defendants wanted to take unfair advantage of the reputation enjoyed by us. The Defendants have filed a written statement refuting the allegations made by our Company. We have prayed for an order of passing off and rendition of accounts for profits illegally earned by the Defendants.

3. Our Company has initiated a suit before the District and Sessions Court, Faridabad, Haryana, against M/s S.K. Jain & Bros. Helmet (I) Private Limited ("**Defendants**") to restrain the Defendants from manufacturing, selling and dealing with the "POWER PLAY" helmet model which our Company claims is identical to the "STUDDS DUDE" model which is a registered and well known trademark of our Company. Our Company has alleged infringement and passing off of its registered trademark under the Trademarks Act. The Defendants have filed a written statement refuting our allegations. Our Company has prayed for permanent injunction and rendition of accounts for profits illegally earned by the Defendants.

4. Our Company has filed a petition before the Controller of Designs, the Patent Office, against M/s S.K. Jain & Bros. (I) Helmet Private Limited ("**Defendants**") to cancel the design registration No. 300258 under the Designs Act. Our Company has claimed that the helmet registered by the Defendants is a replica of the design of the "SPORTING DUDE HELMET" manufactured by our Company.

D. Outstanding dues to creditors

As of March 31, 2018, we had 425 creditors. The aggregate amount outstanding to such creditors as on March 31, 2018 was ₹ 344.21 million. For further details, see www.studds.com.

As per the Materiality Policy, a creditor of the Company shall be considered to be material for the purpose of disclosure in the offer document, including in this Draft Red Herring Prospectus, if the amounts due to such creditor equals or exceeds 5% of the trade payables of the Company as per the Restated Standalone Financial Statements for the last Fiscal disclosed in the offer documents i.e., ₹ 17.21 million. Based on the above, there are two material creditors of the Company as on March 31, 2018 and the aggregate amount outstanding to such creditors was ₹ 74.54 million.

Further, based on information available with our Company, there are no dues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as of March 31, 2018.

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.studds.com, would be doing so at their own risk.

E. Compounding and Settlement Applications filed by our Company and our officials

1. Our Company and Mr. Madhu Bhushan Khurana have voluntarily filed a compounding application on July 6, 2018 with the National Company Law Tribunal/ Regional Director, Chandigarh, Northern Region under Section 621A of the Companies Act 1956/ Section 441 of the Companies Act 2013. This is in relation to allotments made by our Company on December 1, 1995 and on March 20, 1996 to 211 allottees and 71 allottees, respectively. Further, our Company and our Promoters have also voluntarily filed a settlement application with SEBI under Regulation 3(1) of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014. For further details, see "***Risk Factors – We have made certain issuances and allotments of our Equity Shares which are not in compliance with Section 67(3) of the Companies Act 1956***" on page 17.

2. Our Company, Mr. Madhu Bhushan Khurana, Mr. Sidhartha Bhushan Khurana and Ms. Kanika Bhutani have voluntarily filed a compounding application before the National Company Law Tribunal/ Regional Director, Chandigarh, Northern Region bench dated August 14, 2018 under Section 441 of the Companies Act 2013. Pursuant to Section 124(6) of the Companies Act 2013 and the rules framed thereunder, our Company was required to transfer certain equity shares to a demat account in respect of which the dividends have remained unclaimed or unpaid for a period of seven consecutive years. Our Company has failed to comply with the afore-mentioned requirement and has thus, filed the compounding application. For further details, see "***Risk Factors – In the past, we have not been in compliance with certain sections of the Companies Act 2013.***" on page 20.

F. Pending action by statutory or regulatory authorities involving our Company

1. On April 13, 2018, our Company approached the Project Director, NHAI, Faridabad, Haryana, ("**NHAI**") raising concerns over evacuation work in front of the main gate of our Registered Office due to which our employees were facing inconvenience in moving in and out of the factory premises.

   Mr. Sidhartha Bhushan Khurana, our Managing Director, received a reply dated April 16, 2018 from the Project Director CMU, Mathura intimating us that no direct access is permissible in six lane highways pursuant to circular no. RW-NH-33023/19/99-DO-III dated July 24, 2013. We were also asked to dismantle the access to the service road. Subsequently, another notice dated April 19, 2018 ("**Impugned Notice**") issued by the Project Director CMU, Mathura alleged our non-compliance under the Control of National Highways (Land and Traffic) Act, 2002 in respect of alleged unauthorised occupation/ access to our factory premises. Our Company replied to the Impugned Notice on May 9, 2018 stating that we have not illegally occupied any land owned by the NHAI.

2. Our Company received a notice on August 10, 2018 from the Municipal Corporation, Faridabad alleging that we have altered, enlarged and extended a factory without obtaining and renewing a license as required under Section 330 of the Haryana Municipal Corporation Act 1994.

II. LITIGATION INVOLVING OUR DIRECTORS

A. Pending action by statutory or regulatory authorities involving our Directors

Pending action by statutory or regulatory authorities involving Mr. Madhu Bhushan Khurana

Mr. Madhu Bhushan Khurana, our chairman and Managing Directors has voluntarily filed two compounding applications before the National Company Law Tribunal, Chandigarh. For more details, see "- ***Compounding and Settlement Applications filed by our Company and our officials*"** above.

Pending action by statutory or regulatory authorities involving Mr. Sidhartha Bhushan Khurana

Mr. Sidhartha Khurana, one of our Managing Directors, has filed a compounding application before the National Company Law Tribunal, Chandigarh. For more details, see "- ***Compounding and Settlement Applications filed by our Company and our officials*"** above.

B. Tax proceedings involving our Directors

(in ₹)

Name of the Director	Nature of litigation	Number of matters	Amount
Mr. Sidhartha Khurana	Direct Taxation	2	70,600.00

III. LITIGATION INVOLVING OUR PROMOTERS

A. Pending action by statutory or regulatory authorities involving Mr. Madhu Bhushan Khurana

Pending action by statutory or regulatory authorities involving Mr. Madhu Bhushan Khurana

Mr. Madhu Bhushan Khurana, one of our Promoters, has voluntarily filed two compounding applications before the National Company Law Tribunal, Chandigarh. For more details, see "- ***Compounding and Settlement Applications filed by our Company and our officials*"** above

Pending action by statutory or regulatory authorities involving Mr. Sidhartha Bhushan Khurana

Mr. Sidhartha Khurana, one of our Promoters, has filed a compounding application before the National Company Law Tribunal, Chandigarh. For more details, see "- ***Compounding and Settlement Applications filed by our Company and our officials*"** above.

B. **Tax proceedings involving our Promoters**

Pending tax proceedings involving Sidhhartha Bhushan Khurana

Other than as disclosed under "- ***Litigation involving our Directors – Tax proceedings involving our Directors***" above, there are no other pending tax proceedings involving our Promoters.

Material developments since the last balance sheet date

Except as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operation – Material Developments after March 31, 2018***" on page 319, no circumstances have arisen since March 31, 2018, the date of the last restated financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our operations or earnings taken as a whole, the value of our assets or our ability to pay our material liabilities within the next twelve months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations and permits issued by relevant Central and State authorities under various rules and regulations. We have set out below an indicative list of such material approvals, licenses, registrations and permits obtained by our Company for the purposes of undertaking its respective business. In view of such approvals, our Company can undertake the Offer and its current business activities. Additionally, unless otherwise stated, these approvals, licenses, registrations and permits are valid as on the date of this Draft Red Herring Prospectus. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures.

I. General details

Incorporation details of our Company

1. Certificate of incorporation dated February 3, 1983 issued to our Company by the RoC in the name of 'Studds Accessories Private Limited'.

2. Our Company was declared a deemed public company in terms of Section 43A of the Companies Act 1956, with effect from March 31, 1990 and subsequently, pursuant to a resolution dated October 22, 1994 of our shareholders, our Company was converted into a public limited company.

For details of corporate and other approvals obtained in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer - Corporate Approvals***" on page 328.

Tax related approvals

1. The permanent account number of our Company is AACCS4217Q.

2. The tax deduction account number of our Company is RTKS07822D.

3. The GST registration number of our Company is 06AACCS4217Q1Z2.

Labour and Employee related approvals

1. Under the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, our Company has been allotted employee provident fund code number HRFBD0003264000.

2. Under the Employee State Insurance Act, 1948, our Company has been allotted the employee state insurance code number 13000158730001099.

II. Approvals in relation to operations of our Company

We require various approvals to carry on our operations in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by us for conducting the operations of our Company are provided below ("**Key Approvals**").

A. Approvals in relation to our export and import operations

We are required to obtain approvals, in relation to our export and import operations, from the Ministry of Commerce and Industry, GoI. This includes the importer-exporter code and registration cum membership certificate with the status of 'manufacturer exporter'.

B. Labour registrations

We are required to obtain various approvals for setting up and operating the manufacturing facilities, under the Factories Act and the State specific rules under the Factories Act. We also employ contract labours in our factories under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970. Additionally, we are in compliance with the provisions of the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Maternity Benefit Act 1961, the Payment of Gratuity Act 1972 and the Child Labour (Prohibition and Regulation) Act, 1986.

C. *Environmental legislations*

We need to obtain various environmental clearances for operating our manufacturing facilities, which include consent to operate under the Water (Prevention and Control of Pollution) Act, 1974, Hazardous Waste (Management, Handling and Transboundary Movement Rules), 2016, the Biomedical Waste (Management and Handling) Rules, 2016 and the Air (Pollution and Control of Pollution) Act, 1981.

As on the date of this Draft Red Herring Prospectus, we have obtained all the aforementioned Key Approvals, other than the approval mentioned below, for which we have made an application.

Sr. No.	Date of Application	Nature of Approval	Application number
1.	December 23, 2017	NOC for ground water extraction	21-4/1264/HR/IND/2017

Further, our Company is in the process of construction of Manufacturing Facility III and Manufacturing IV. For details on the approvals pertaining to our new plant, see "***Objects of the Offer – Government and other Approvals***" on pages 87 and 91.

III. Intellectual Property

Trademarks

As on the date of this Draft Red Herring Prospectus, our Company has registered 36 trademarks under 32 different classes with the Registrar of Trademarks under the Trademarks Act.

Further, as on the date of this Draft Red Herring Prospectus, our Company has registered nine trademarks under various classes under the trademark laws of various jurisdictions outside India.

As on the date of this Draft Red Herring Prospectus, our Company has made the following applications for obtaining/ renewing trademark registrations outside India:

Sr. no.	Description	Jurisdiction	Class	Application number	Date of Application
1.	SMK Logo	USA	9	86/880880	January 20, 2016
2.	Studds logo	UAE	9	256369	July 11, 2016
3.	SMK Logo	UAE	9	256368	July 11, 2016
4.	Studds	Sri Lanka	9	221170	August 4, 2017
5.	Studds logo	Sri Lanka	9	221169	August 4, 2017
6.	SMK	Sri Lanka	9	221168	August 4, 2017
7.	SMK logo	Sri Lanka	9	221167	August 4, 2017

Designs

As on the date of this Draft Red Herring Prospectus, our Company has registered seven designs in India granted by the Controller of Patents, Trademarks and Designs under the Designs Act.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board has authorised the Offer and the Fresh Issue pursuant to a resolution dated June 8, 2018.
- Our shareholders have, pursuant to a special resolution passed on July 7, 2018 under Section 62(1)(c) of the Companies Act 2013, authorised the Fresh Issue.
- Our Board has taken on record the Offer for Sale by the Selling Shareholders pursuant to its resolution dated August 18, 2018.
- Our Board has approved and adopted this Draft Red Herring Prospectus pursuant to its resolution dated August 18, 2018.
- The IPO Committee has, on August 24, 2018 approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

Approvals from the Selling Shareholders

The Selling Shareholders have specifically confirmed and approved the transfer of the Equity Shares pursuant to the Offer for Sale as set out below.

Sr. No.	Name of the Selling Shareholder	Date of Consent Letter	Number of Equity Shares offered for sale
1.	Mr. Madhu Bhushan Khurana	August 9, 2018	2,331,880
2.	Mr. Sidhartha Bhushan Khurana	August 9, 2018	294,720
3.	Ms. Chand Khurana	August 10, 2018	648,800
4.	Mr. Ajay Leekha	July 7, 2018	50,400
5.	Mr. Sanjay Leekha jointly held with Ms. Charu Leekha	July 7, 2018	96,000
6.	Ms. Charu Leekha	July 7, 2018	120,000
7.	Mr. Sanjay Leekha	July 7, 2018	246,000
8.	Mr. Anil Kumar Chopra	July 12, 2018	18,000
9.	Mr. Praveen Chopra	July 12, 2018	18,000
10.	Ms. Naintara Mehta	July 13, 2018	7,200
11.	Mr. Harsh Deva Shanghari jointly held with Ms. Suneeta Shanghari	July 14, 2018	45,000
12.	Mr. Sunil Kumar Rastogi	July 13, 2018	18,000
13.	Ms. Shilpa Arora	July 10, 2018	45,000

Each Selling Shareholder specifically confirms that, as required under Regulation 26(6) of the SEBI ICDR Regulations, it has held the Equity Shares proposed to be offered and sold by it in the Offer for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and, to the extent that the Equity Shares being offered by such Selling Shareholder in the Offer have not been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and where such Equity Shares have resulted from a bonus issue, such bonus issue has been on Equity Shares held for a period of at least one year prior to the filing of this Draft Red Herring Prospectus. Further, in this regard, the Company confirms that the bonus issue was not undertaken by capitalizing or by utilization of revaluation reserves or unrealised profits of the Company. Therefore, the Equity Shares offered by the Selling Shareholders in the Offer are eligible to be offered for sale in the Offer.

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI, the RBI or Governmental Authorities

None of our Company, our Promoters, our Promoter Group, our Directors, persons in control of our Company are or have been have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other regulatory or governmental authorities. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Each Selling Shareholder, severally and not jointly, specifically confirms that it has not been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority. Further, each Selling Shareholder, severally and not jointly, specifically confirms that it has not been declared as a wilful defaulter, as defined under the SEBI ICDR Regulations. There are no violations of securities laws committed by any of the Selling Shareholders in the past or are currently pending against any of them.

None of our Directors are in any manner associated with the securities market, including any securities market related business and no action has been taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

Neither our Company, nor our Promoters or their relatives (as defined under the Companies Act), nor any member of our Promoter Group nor our Directors, are or have been declared as wilful defaulters, as defined by the SEBI ICDR Regulations.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations as described below:

"*An issuer may make an initial public offer, if:*

(a) it has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty per cent are held in monetary assets:

Provided that if more than fifty per cent of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;

Provided further that the limit of fifty per cent on monetary assets shall not be applicable in case the public offer is made entirely through an offer for sale.

(b) it has a minimum average pre-tax operating profit of rupees fifteen crore, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years.

(c) it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each);

(d) the aggregate of the proposed issue and all previous issues made in the same financial year in terms of the issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year;

(e) if it has changed its name within the last one year, at least fifty per cent of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name."

Set forth below are our Company's pre-tax operating profit, net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets and net worth, derived from our Restated Standalone Financial Statements included in this Draft Red Herring Prospectus.

(₹ *in million*)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Pre-tax operating profit**	464.82	350.28	380.54	168.81	123.63
Net worth***	1,186.88	870.25	635.35	408.32	313.19
Net tangible assets*	1,182.46	865.84	631.13	404.46	309.93
Monetary assets (including firm commitments as disclosed below)	640.04	417.17	288.14	165.92	73.75
Monetary assets as a % of net tangible assets (%)	54.13	48.18	45.65	41.02	23.80

Set forth below are our Company's pre-tax operating profit, net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets and net worth, derived from our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus.

(₹ *in million*)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Pre-tax operating profit**	464.81	350.26	380.53	168.79	123.54
Net worth***	1,186.88	874.41	638.07	409.72	313.36
Net tangible assets*	1,182.46	867.63	631.47	403.47	307.69
Monetary assets (including firm commitments as disclosed below)	640.05	420.81	290.43	167.01	74.49
Monetary assets as a % of net tangible assets (%)	54.13	48.50	45.99	41.39	24.21

Definitions and Notes:

While the excess amount of monetary assets as on March 31, 2018 has been ₹ 48.82 million, however, the Company has already deployed ₹ 328.10 million out of internal accruals during April 1, 2018 till July 31, 2018. Further, the Company has made firm commitments by earmarking fixed deposits of ₹ 40.00 million and ₹ 50.00 million bearing no. 50300269578078 and 50300271711383 respectively, with HDFC Bank Limited, which will be utilized towards balance amount of ₹ 84.70 million to be incurred out of identified internal accruals. The monetary assets post deducting firm commitments as a percentage of net tangible assets for Fiscal 2018 is 46.52% on restated standalone basis and 46.52% on restated consolidated basis.

** 'Net tangible assets' mean the sum of all net assets of the issuer, excluding intangible assets as defined in Indian Accounting Standard 38 issued by the Institute of Chartered Accountants of India in accordance with explanation (I) of Regulation 26 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended , as per the Restated Standalone Financial Statements or Restated Consolidated Financial Statements, as applicable.*

*** 'Pre-tax Operating Profit' is defined as the restated profit before interest and tax and other income, as per the Restated Standalone Financial Statements or Restated Consolidated Financial Statements, as applicable.*

**** 'Net Worth' has been computed by aggregating paid up share capital and reserves and surplus (securities premium, general reserve and surplus in the Statement of Profits and Losses) as per the Restated Standalone Financial Statements or Restated Consolidated Financial Statements, as applicable. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off).*

***** Monetary Assets constitute cash and bank balances including deposits accounts, as per the Restated Standalone Financial Statements or Restated Consolidated Financial Statements, as applicable.*

Our average pre-tax operating profit, calculated on a restated standalone basis, during the three most profitable years being 2018, 2017 and 2016, out of the immediately preceding five years is ₹ 398.55 million while our average pre-tax operating profit, calculated on a restated consolidated basis, during the three most profitable years being 2018, 2017 and 2016, out of the immediately preceding five years is ₹ 398.53 million

The aggregate size of the Offer and all issues made in Fiscal 2019, until the date of this Draft Red Herring Prospectus, does not exceed five times our Company's pre-Offer net worth as per the audited balance sheet as at March 31, 2018. Further, we confirm that our Company has not changed its name during the one year immediately preceding the date of this Draft Red Herring Prospectus. Further, since more than 50.00% of our net tangible assets are held in monetary assets for Fiscal 2018, we have made firm commitments to utilise such excess monetary assets in our business or project.

Hence, we are eligible for the Offer as per Regulation 26(1) of the SEBI ICDR Regulations. Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall be not less than 1,000, failing which, the entire application money shall be unblocked. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company and the Selling Shareholders shall be liable to pay an interest on the application money in accordance with applicable laws for the period of delay. If our Company does not allot Equity Shares pursuant to the Offer within five Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, we shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the applicants as per the applicable laws.

DISCLAIMER CLAUSE OF THE SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS SHALL BE SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS ("BRLMs"), BEING EDELWEISS FINANCIAL SERVICES LIMITED AND IIFL HOLDINGS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, AND EACH SELLING SHAREHOLDER, SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF AND ITS RESPECTIVE PORTION OF THE OFFERED SHARES IN THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK LEAD MANAGERS, BEING EDELWEISS FINANCIAL SERVICES LIMITED AND IIFL HOLDINGS LIMITED, HAVE FURNISHED TO THE SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 24, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION, AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**

    A. **THE DRHP FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"), IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

    B. **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC., FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

    C. **THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT 2013,**

AND THE COMPANIES ACT 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS;

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID; – COMPLIED WITH AND NOTED FOR COMPLIANCE.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS; – NOTED FOR COMPLIANCE.**

5. **WE CERTIFY THAT WRITTEN CONSENTS FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF EQUITY SHARES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRHP.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE OFFER; – NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE COMPANY'S MEMORANDUM OF ASSOCIATION, OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION;**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT 2013, AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION; - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT 2013.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE; – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT 2013, EQUITY SHARES IN THE ISSUE WILL BE ISSUED IN DEMATERIALISED FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRHP:**

    a. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER;**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF THE CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC; COMPLIED WITH**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRHP WHERE THE REGULATION HAS BEEN COMPLIED WITH, AND OUR COMMENTS, IF ANY; COMPLIED WITH**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR; COMPLIED WITH**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, REPORTED IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD 24 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRHP AND AS CERTIFIED BY RAJAN CHHABRA & CO., CHARTERED ACCOUNTANTS (ICAI FIRM REGISTRATION NUMBER: 009520N), BY WAY OF A CERTIFICATE DATED AUGUST 24, 2018; AND**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS. (IF APPLICABLE). – NOT APPLICABLE**

The filing of this Draft Red Herring Prospectus does not, however, absolve the Company or any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up, at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholders from any liability to the extent the statements made by them in respect of the Equity Shares being offered by them under the Offer for Sale, under Sections 34 and 36 of the Companies Act 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 32 of the Companies Act 2013.

Price Information of past issues handled by the BRLMs

Edelweiss Financial Services Limited

1. *Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Edelweiss.*

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Fine Organic Industries Limited	6,001.69	783.00	July 2, 2018	815.00	5.72% [6.56%]	Not Applicable	Not Applicable
2	ICICI Securities Limited	34,801.16	520.00	April 4, 2018	435.00	-27.93% [5.44%]	-37.26% [5.22%]	Not Applicable
3	Galaxy Surfactants Limited	9,370.88	1,480.00	February 8, 2018	1,525.00	1.14% [-3.31%]	-0.85% [1.33%]	-14.68% [7.66%]
4	Amber Enterprises India Limited	6,000.00	859.00^^^	January 30, 2018	1,175.00	27.15% [-5.04%]	32.56% [-2.81%]	10.68% [2.44%]
5	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	3.50% [3.00%]	6.27% [-2.83%]	-5.20% [4.13%]
6	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-3.57% [3.95%]	-11.51% [0.75%]	-28.51% [4.93%]
7	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	30.16% [1.02%]	48.93% [2.11%]	74.66% [5.04%]
8	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	3.61% [-3.19%]	8.12% [2.05%]	-4.21% [1.59%]
9	Prataap Snacks Limited	4,815.98	938.00^^	October 5, 2017	1,270.00	25.12% [5.70%]	31.82% [5.60%]	40.99% [3.27%]
10	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	3.62% [6.25%]	18.97% [8.17%]	15.36% [4.06%]

Source: www.nseindia.com

^^^ Amber Enterprises India Limited - employee discount of ₹ 85 per equity share to the offer price was offered to the eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹ 859 per equity share.

^^Prataap Snacks Limited - employee discount of ₹ 90 per equity share to the issue price was offered to the eligible employees bidding in the employee reservation portion. All calculations are based on the issue price of ₹ 938 per equity share.

Notes

1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
4. *The Nifty 50 index is considered as the benchmark index*
5. *Not Applicable. – Period not completed*
6. *Disclosure in Table-1 restricted to 10 issues.*

2. *Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Edelweiss.*

Fiscal Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	**Between 25-50%**	**Less than 25%**	**Over 50%**				**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	
2018-19*	2	40,802.85	-	1	-	-	-	1	-	-	-	-	-	-
2017-18	11	218,549.76	-	-	1	1	5	4	-	1	3	3	1	3
2016 -17	6	123,361.22	-	-	1	1	3	1	-	-	-	3	2	1

The information is as on the date of the document

1. *Based on date of listing.*

2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
3. *The Nifty 50 index is considered as the Benchmark Index.*

**For the financial year 2018-19 – Total 2 issues have been completed of which 1 issue has completed 30 days.*

<u>IIFL Holdings Limited</u>

1. *Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by IIFL.*

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.00	+3.3%, [+4.6%]	+19.0%, [+6.7%]	+15.4%, [+2.6%]
2.	Indian Energy Exchange Limited	10,007.26	1,650.00	October 23, 2017	1,500.00	-5.6%, [+1.9%]	-1.8%, [+7.4%]	-0.7%, [+4.1%]
3.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	+1.2%, [-3.9%]	+5.9%, [+2.9%]	-4.2%, [+1.6%]
4.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	+31.5%, [+1.2%]	+49.0%, [+3.2%]	+71.6%, [+5.2%]
5.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.2%, [+4.2%]	-11.7%, [+1.1%]	-29.3%, [+5.9%]
6.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.1%, [+4.4%]	+6.9%, [-1.3%]	-5.2%, [+4.7%]
7.	ICICI Securities Limited	35,148.49	520.00	April 04, 2018	435.00	-28.9%, [+3.6%]	-38.6%, [+4.4%]	NA
8.	Varroc Engineering Limited	19,551.75	967.00	July 06, 2018	1,015.00	+1.6%, [+5.7%]	NA	NA
9.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	NA	NA	NA
10.	Credit Access Grameen Limited	11,311.88	422.00	August 23, 2018	390.00	NA	NA	NA

Source: www.nseindia.com

Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.

2. *Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by IIFL.*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	5	92,062.31	-	-	1	2	1	1	-	-	-	3	1	1
2017-18	9	1,98,722.66	-	-	3	1	2	3	-	1	3	2	1	2
2018-19	4	94,015.43	-	1	-	-	-	1	-	-	-	-	-	-

Source: www.nseindia.com
Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified under circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs mentioned below.

BRLM	Website
Edelweiss	www.edelweissfin.com
IIFL	www.iiflcap.com

Caution – Disclaimer from our Company, our Directors, the Selling Shareholders, the BRLMs

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.studds.com, or any website of any of the members of our Promoter Group or any affiliate of our Company or the Selling Shareholders, would be doing so at his or her own risk. Each Selling Shareholder, their respective directors, affiliates, associates and officers accept no responsibility for any statements made or undertakings provided other than those made by the respective Selling Shareholders, and only in relation to them and/or to the Equity Shares offered by such Selling Shareholder through the Offer for Sale and included in this Draft Red Herring Prospectus.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the Bidders and public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company, our Directors, the Selling Shareholders nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

The BRLMs and their respective associates may engage in transactions with, and perform services for our Company, the Selling Shareholders and their respective affiliates or associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or the Selling Shareholders or their respective affiliates or associates for which they have received, and may in future receive compensation.

Investors that bid in the Offer will be required to confirm, and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families ("**HUFs**"), companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws, and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, permitted insurance companies, Systemically Important Non-Banking Financial Companies and pension funds and, to permitted non-residents including Eligible NRIs, AIFs), FPIs and QIBs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to the Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at New Delhi, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States. Accordingly, such Equity Shares are being offered and sold outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to us, post the scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and Prospectus prior to filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to us, post the scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and Prospectus prior to filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at Securities and Exchange Board of India, Plot No. C 4-A, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India and simultaneously through the SEBI intermediary portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act 2013, and a copy of the Prospectus required to be filed under Sections 26 and 32 of the Companies Act 2013 will be delivered for registration to the RoC situated at the address mentioned below.

The Registrar of Companies, National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019, India
Telephone: +91 11 2623 5707
Facsimile: +91 11 2623 5702

Listing

Applications have been made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company and the Selling Shareholders shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other time prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as per the applicable laws.

In the event of the successful completion of the Offer, other than listing fees, which will be paid by the Company, all costs, fees and expenses with respect to the Offer will be shared, in accordance with the applicable laws.

The Selling Shareholders undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within six working days from the Bid/Offer Closing Date or such other time prescribed by SEBI.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of (a) the Selling Shareholders, our Directors, the Chief Financial Officer, the Company Secretary and Compliance Officer of our Company, the Auditors, the legal counsels, the Bankers to our Company, the lender, Frost & Sullivan, chartered engineer, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer/Anchor Escrow Bank and Refund Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 and 32 of the Companies Act 2013. Further, such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus and shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the SEBI and RoC, as applicable.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinion.

(i) Our Company has received a written consent from the Auditors, to include their name in this Draft Red Herring Prospectus as required under Sections 26(1)(a)(v) and 26(5) of the Companies Act 2013 and as "expert", as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as Statutory Auditors and in respect of their examination reports dated August 18, 2018 on our Restated Financial Statements and their report dated August 20, 2018 on the Statement of Tax Benefits included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under U.S. Securities Act.

(ii) Our Company has received a written consent from Pawan Kumar Nagpal, to include his name, in this Draft Red Herring Prospectus as an "expert" in terms of the Companies Act 2013, in respect of the report on the estimated cost of the land, building and civil works and plant and machinery to be installed at our Manufacturing Facility III and Manufacturing Facility IV and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Offer related Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing fees, auditor's fees and listing fees. For details of Offer related expenses, see "***Objects of the Offer - Offer related Expenses***" on page 92.

Fees, Brokerage and Selling Commission

The total fees payable to the BRLMs and Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the fee letter and the Syndicate Agreement.

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs see "***Objects of the Offer***" on page 82.

IPO grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer, including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the Registrar Agreement, a copy of which shall be made available for inspection at our Registered Office, from 10.00 a.m. to 5.00 p.m.

Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

The Selling Shareholders will reimburse our Company the expenses incurred in relation to their respective Equity Shares offered in the Offer for Sale.

Particulars regarding Public or Rights Issues during the Last Five Years

There have been no public issues, including any rights issues to the public undertaken by our Company during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission or Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares, since the incorporation of our Company.

Previous Issues Otherwise than for Cash

Except as disclosed in "***Capital Structure***" on page 65, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Capital Issues in the Preceding Three Years

Except as disclosed in "***Capital Structure***" on page 65, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects

Our Company has not undertaken any public issues, including any rights issues to the public in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis- à-vis Objects: Last Issue of Subsidiaries

As on the date of this Draft Red Herring Prospectus, we do not have any subsidiaries.

Outstanding Debentures, Bonds or Redeemable Preference Shares

Our Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Draft Red Herring Prospectus.

Partly Paid-Up Shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of refunds by electronic mode or unblocking of ASBA accounts etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.
All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid-cum Application Form was submitted, giving full details such as name of the sole or first ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of ASBA Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Our Company, the Selling Shareholders, the BRLMs and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Syndicate Members, CRTAs, Registered Brokers and CDPS, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and there are no outstanding investor complaints against our Company as on the date of this Draft Red Herring Prospectus.

Disposal of Investor Grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Kanika Bhutani, our Company Secretary, as our Compliance Officer and she may be contacted in case of any pre-Offer or post-Offer related grievances, at the address set forth hereunder.

Ms. Kanika Bhutani
Studds Accessories Limited
23/7 Mathura Road, Ballabgarh
Faridabad 121 004, Haryana, India
Telephone: +91 129 429 6500
Facsimile: +91 129 429 6500
E-mail: secretarial@studds.com

The Selling Shareholders have authorised the compliance officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Further, our Board has constituted a Stakeholders' Relationship Committee comprising our Directors, Mr. Madhu Bhushan Khurana, Mr. Sidhartha Bhushan Khurana and Mr. Shanker Dev Choudhry, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "***Our Management – Corporate Governance – Stakeholders' Relationship Committee***" on page 158.

Disposal of investor grievances by listed Group Companies

As on the date of this Draft Red Herring Prospectus, we do not have any Group Company.

Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act 1956

As on the date of this Draft Red Herring Prospectus, we do not have any company under the same management within the meaning of Section 370(1B) of the Companies Act 1956.

Changes in Auditors

Except as described below, there has been no change in the statutory auditor of the Company in the last three years immediately preceding the date of the Draft Red Herring Prospectus.

Name of Auditor	Date of change	Reason
A.C. Mehta & Co.	April 26, 2018	Casual vacancy
Rajan Chhabra & Co.	April 26, 2018	Appointed in order to fill up the casual vacancy caused by the previous statutory auditor

Capitalization of Reserves or Profits

Except as disclosed in "***Capital Structure***" in page 65, our Company has not capitalised its reserves or profits at any time during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

SECTION VII – OFFER RELATED INFORMATION
OFFER STRUCTURE

The Offer is up to [●] Equity Shares of face value of ₹ 5 each, at an Offer Price of ₹ [●] per Equity Share for cash, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] million and is being made through the Book Building Process. The Offer comprises a Fresh Issue of up to [●] Equity Shares by our Company aggregating up to ₹ 980.00 million and an Offer for Sale of up to 3,939,000 Equity Shares by the Selling Shareholders. In terms of Rule 19(2)(b) of the SCRR, read with Regulation 41 of the SEBI ICDR Regulations, the Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations.

	QIBs*	**Non-Institutional Investors**	**Retail Individual Investors**
Number of Equity Shares available for allocation**	Not more than [●] Equity Shares	Not less than [●] Equity Shares or Offer less allocation to QIBs and Retail Individual Investors	Not less than [●] Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer size available for allocation	Not more than 50% of the Offer will be available for allocation to QIBs. However, 5% of the QIB Category, excluding the Anchor Investor Portion, will be available for allocation proportionately to Mutual Funds only subject to valid Bids being received at or above the Offer Price. Mutual Funds participating in the 5% reservation portion will also be eligible for allocation in the remaining QIB Category. The unsubscribed portion in the Mutual Fund portion, if any, will be available for allocation to QIBs (excluding the Anchor Investor Portion)	Not less than 15% of the Offer or Offer less allocation to QIBs and Retail Individual Investors shall be available for allocation	Not less than 35% of the Offer or the Offer less allocation to QIBs and Non-Institutional Investors shall be available for allocation
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) Not more than [●] Equity Shares will be available for allocation on a proportionate basis to Mutual Funds subject to valid Bids being received at or above the Offer Price; and (b) Not more than [●] Equity Shares will be available for allocation on a proportionate basis to QIBs including Mutual Funds receiving allocation as per (a) above. Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.	Proportionate	Allotment shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. For more information, see "***Offer Procedure***" on page 350.
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares

	QIBs*	Non-Institutional Investors	Retail Individual Investors
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		[●] Equity Shares and in multiples of [●] Equity Share thereafter subject to availability in the Retail Category
Trading Lot	One Equity Share		
Who can Apply***	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, AIFs, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the Government of India, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts and any category III FPIs registered with SEBI, which is a foreign corporate or foreign individual for Equity Shares such that the Bid Amount exceeds ₹ 200,000 in value	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value
Terms of Payment****	***In case of Anchor Investors:*** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ***In case of all other Bidders***: Full Bid Amount shall be blocked by the SCSBs in the ASBA account of the Bidders (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form		

* *Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above Anchor Investor Allocation Price.*

***This Offer is being made through the Book Building Process wherein not more than 50% of the Offer will be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category,* *except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable laws.*

****If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.*

***** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the abridged prospectus and other terms and conditions as may be incorporated in the Confirmation of allocation notes (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, Government of India, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by SEBI, RBI and/or any regulatory authority while granting approval for the Offer.

Offer for Sale

The Offer comprises an Offer for Sale by the Selling Shareholders. All Offer related expenses shall be borne pro-rata as agreed amongst our Company and the Selling Shareholders in proportion to the respective Equity Shares offered by each of them in the Offer in accordance with applicable law. The Selling Shareholders shall reimburse our Company for all expenses incurred by the Company in relation to the Offer for Sale on each of their behalf. However, in the event that the Offer is withdrawn by the Company for any reason whatsoever, all the Offer related expenses will be borne by our Company.

Ranking of Equity Shares

The Equity Shares being offered and Allotted in the Offer will be subject to the provisions of the Companies Act, SEBI Listing Regulations, the Memorandum of Association and the Articles of Association and will rank *pari passu* with the existing Equity Shares of our Company, including in respect of dividends, voting rights and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with the Companies Act and our Articles of Association. For more information, see "***Main Provisions of the Articles of Association***" on page 398.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer, will be received by the Allottees. For more information, see "***Dividend Policy***" and "***Main Provisions of the Articles of Association***" on pages 166 and 398, respectively.

Face Value and Price Band

The face value of each Equity Share is ₹ 5. At any given point of time there will be only one denomination for the Equity Shares.

The Price Band and the minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, and published by our Company at least five Working Days prior to the Bid/Offer Opening Date, in [●] (a widely circulated English national newspaper) and [●] (a widely circulated Hindi national newspaper, Hindi also being the regional language of the place where our Registered and Corporate Office is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the respective websites of the Stock Exchanges.

The Offer will constitute [●]% of the post-Offer paid-up equity share capital of our Company.

Rights of the Equity Shareholder

Subject to applicable law and our Articles of Association, the Equity Shareholders will have the following rights:

- Right to receive dividend, if declared;

- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of the Articles of Association***" on page 398.

Market Lot and Trading Lot

Bidders shall not have the option of Allotment of Equity Shares in physical form. In terms of Section 29 of the Companies Act 2013, the Equity Shares will be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialised form.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "***Offer Procedure***" on page 350.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or First Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, as amended, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Bid/Offer Period

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON**	[●]

* *Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
** *Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

EVENT	INDICATIVE DATE
FINALIZATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about [●]
INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT)	On or about [●]
CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES	On or about [●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES	On or about [●]

This timetable, is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholders or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date or such other timeline prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Offer period by our Company due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law.

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period at the Bidding Centers, except that on the Bid/Offer Closing Date (which for QIBs may be a day prior to the Bid/Offer Closing Date for non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Investors and Eligible Employees bidding in the Employee Reservation Portion. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Our Company, the respective Selling Shareholders and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days. Investors may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a press release and by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and will also intimated to SCSBs, the Registered Brokers, CRTAs and CDPs. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time after the Bid/Offer Closing Date but before Allotment. If our Company and the Selling Shareholders withdraw the Offer, our Company will issue a public notice within two days from the Bid/Offer Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and/or the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, they will file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within six Working Days of the Bid/ Offer Closing Date; and (ii) the final RoC approval of the Prospectus which will be filed with the RoC after the Bid/ Offer Closing Date.

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period at the Bidding Centers, except that on the Bid/Offer Closing Date (which for QIBs is maybe a day prior to the Bid/Offer Closing Date for non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Investors. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges. Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. If a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Our Company, the Selling Shareholders and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days.

Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated

by notification to the Stock Exchanges by issuing a press release and by indicating the change on the website of the Designated Intermediaries. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Fresh Issue, including through the devolvement to the Underwriters within 60 days from the Bid/ Offer Closing Date, as applicable, our Company shall forthwith refund the entire subscription monies received within the timelines prescribed under applicable laws, failing which, the directors of our Company who are officers in default shall, jointly and severally, be liable to repay that money with interest as per the applicable laws. This is further subject to the compliance with Regulation 19(2)(b) of the SCRR. Further in terms of Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of Bidders to whom the Equity Shares are Allotted in the Offer will be not less than 1,000.

The requirement for minimum subscription is not applicable to the Offer for Sale in accordance with SEBI ICDR Regulations.

In the event of under subscription in the Offer, the Selling Shareholders, the BRLMs and our Company agree that Equity Shares equivalent to 90% of the Fresh Issue shall be issued prior to the sale of Equity Shares forming part of the Offer for Sale, after which the balance subscription in the Offer shall be applied towards allotment of Equity Shares offered by each Selling Shareholder in the Offer for Sale and upon the utilisation of subscriptions towards the Offer for Sale, the balance portion of the Fresh Issue, in a proportionate manner.

Arrangement for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only, the market lot for our Equity Shares will be one and there are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for lock-in of pre-Offer equity shareholding and Anchor Investor lock-in in the Offer, as detailed in *"**Capital Structure**"* on page 65 and as provided in our Articles as detailed in "***Main Provisions of the Articles of Association***" on page 398, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting.

Option to receive Equity Shares in Dematerialised Form

In terms of Section 29 of the Companies Act 2013, the Allotment of Equity Shares to successful Bidders will only be in the dematerialised form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialised segment of the Stock Exchanges.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, notified by SEBI ("**General Information Document**") included below under section titled "**Offer Procedure – Part B - General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act 2013, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.*

Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein not more than 50% of the Offer will be available for allocation to QIBs on a proportionate basis, provided that our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, of which at least one-third will be available for allocation to domestic Mutual Funds, in accordance with the SEBI ICDR Regulations and subject to valid Bids being received at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the Offer Price. In case of under subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category. The remainder will be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Furthermore, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company and the Promoter Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers, at our Registered and Corporate Office. The Bid cum Application Forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. However, Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors) must provide bank account details and authorisation by the ASBA bank account holder to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected.

Further, such Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp maybe liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral institutions applying on a repatriation basis^	Blue
Anchor Investors**	White

* *Excluding electronic Bid cum Application Forms*

***Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

^*Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Who can Bid?

In addition to the category of Bidders set forth under the sub-section "***- Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue***" on page 366, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- scientific and/or industrial research organisations authorized in India to invest in the Equity Shares; and
- any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them.

Participation by associates and affiliates of the BRLMs and the Syndicate Member, Promoters, Promoter Group and persons related to Promoter/Promoter Group

The BRLMs and the Syndicate Members shall not be allowed to purchase in the in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds sponsored by entities related to the BRLMs and any persons related to the BRLMs, Promoters and Promoter Group cannot apply in the Offer under the Anchor Investor Portion. Provided that, the Promoters may participate in the Offer to the extent that they are offering their Equity Shares in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason therefor. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRIs applying on a repatriation basis should authorise their SCSBs to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPI

In terms of the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 ("**SEBI FPI Regulations**"), investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be below 10% of our post-Offer equity share capital.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

To ensure compliance with the above, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single foreign portfolio investor; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of investment limit, withi the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of applicable FEMA regulations and the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended, investments by FPIs in the capital of an Indian company under the SEBI (Foreign Portfolio Investors) Regulations, 2014 is subject to certain limits, i.e. the individual holding of an FPI is restricted to below 10% of the capital of the company and the aggregate limit for FPI investment is capped at 24% of the capital of the company. In case the total holding of an FPI increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Such aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a board resolution, followed by a special resolution by the Shareholders, subject to prior intimation to the RBI.

Our Company has passed Board resolutions, each dated June 8, 2018 and Shareholders' resolutions, each dated July 7, 2018 for increasing the aggregate limit for investments by FPIs to 49% of our paid-up equity share capital and the aggregate limit for investments by NRIs to 24% of our paid-up equity share capital.

Bids by SEBI registered VCFs and AIFs

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the "**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs registered with SEBI.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A category I AIF, cannot invest more than one-third of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Post the repeal of the SEBI (Venture Capital Funds) Regulations, 1996, the venture capital funds which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Directions- Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "**IRDA Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them. In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by

IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the investee company's outstanding equity shares or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer, or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, Systemically Important Non-Banking Financial Companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

1. Bid cum Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

2. The Bids must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100.00 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate

Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100.00 million.

3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

5. Our Company and the Investor Selling Shareholders, in consultation with the BRLMs and the Promoter Selling Shareholders will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

   (a) a maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

   (b) a minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

   (c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.

7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

10. The BRLMs, our Promoters, members of the Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion.

11. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.

12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form.

Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] (a widely circulated English national newspaper) and [●] (a widely circulated Hindi national newspaper, Hindi also being the regional language of the place where our Registered and Corporate Office is located). Our Company shall, in the pre- Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the respective members of the Syndicate (in the Specified Locations), the SCSBs, the Registered Brokers (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDPs (at the Designated CDP Locations);

6. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
7. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

9. If the first applicant is not the ASBA account holder, ensure that the Bid cum Application Form is signed by the ASBA account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form;

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Ensure that you request for and receive an acknowledgement in the form of a counterfoil or by specifying the application number from the concerned Designated Intermediary;

13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

14. Instruct your respective banks to release he fund blocked in the ASBA Account under the ASBA process;

15. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of you Bid in the electronic Bidding system of the Stock Exchanges;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

21. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

22. Bidders should ensure that the depository accounts are active and should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

23. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

24. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with;

25. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in).

26. Ensure that you tick the correct investor category, as may be applicable, in the Bid cum Application Form to ensure proper upload of the Bid in the online IPO system of the Stock Exchanges; and

27. Bids by Eligible NRIs, HUFs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

Don’ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
7. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Anchor Investors should not Bid through the ASBA process;
15. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

18. Do not withdraw your Bid or lower the size of your Bid (in terms of number of Equity Shares or Bid amount), if you are a QIB or a Non-Institutional Bidder;
19. Do not submit your Bid after 3:00 pm on the Bid/Offer Closing Date;
20. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
21. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
22. Do not Bid for shares more than specified by respective Stock Exchanges for each category; and
23. From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for technical rejection of Bids

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled "***Part B – General Information Document for Investing in Public Issues – Offer Procedure in Book Built Offer – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections***" on page 384, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bids submitted without instruction to the SCSB to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids by HUFs not mentioned correctly;
5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
6. Bids submitted without the signature of the First Bidder or sole Bidder;
7. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder; Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
8. GIR number furnished instead of PAN;
9. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
10. Bids accompanied by stock invest, money order, postal order or cash; and
11. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Payment into Anchor Escrow Account

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. The payment instruments for payment into the Anchor Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]-Escrow Account - R"

(ii) In case of non-resident Anchor Investors: "[●]-Escrow Account - NR"

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated June 4, 2018 among NSDL, the Company and the Registrar to the Offer.

- Agreement dated May 31, 2018 among CDSL, the Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other timeline as prescribed by SEBI;

(iii) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/ Offer Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund;

(iv) That no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

(v) That the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(vi) That if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) That if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company or the Selling Shareholders subsequently decides to proceed with the Offer;

(viii) That the allotment of Allotment Advice/refund confirmation to Eligible NRIs shall be dispatched within specified time;

(ix) That adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;

(x) That our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received;

(xi) That if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period; and

(xii) That we shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

The Promoters have authorised the compliance officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Undertakings by each of the Promoter Selling Shareholders and the Other Selling Shareholders

Each Selling Shareholder severally undertakes and/ or confirms the following:

(i) The Equity Shares offered pursuant to the Offer for Sale have been held by the Selling Shareholders for a period of at least one year prior to the date of the Draft Red Herring Prospectus and are eligible for being offered in the Offer for Sale under Regulation 26(6) of the SEBI ICDR Regulations.

(ii) The Equity Shares offered pursuant to the Offer for Sale are free and clear of any liens or encumbrances and, to the extent that the Equity Shares being offered have resulted from a bonus issue, the bonus issue has been on equity shares held for a period of at least one year prior to the filing of the Draft Red Herring Prospectus.

(iii) The Selling Shareholder shall take all such steps as may be required to ensure that the Equity Shares being sold by them pursuant to the Offer for Sale are available for transfer in the Offer for Sale, free and clear from any pre-emptive rights, liens, mortgages, trusts, charges, pledges and any encumbrances or transfer restrictions.

(iv) The Selling Shareholders are the legal and beneficial owners of and has full title to their respective Equity Shares being offered through the Offer for Sale.

(v) The Selling Shareholder will not have recourse to the proceeds of the Offer for Sale, until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;

(vi) The Selling Shareholder will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered in the Offer for Sale including without limitation not selling, transferring, disposing of in any manner or creating any charge or encumbrance on such Equity Shares;

(vii) The Selling Shareholder shall not further transfer the Equity Shares offered in the Offer during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the final trading approvals from the Stock Exchanges have been obtained for the Equity Shares Allotted/to be Allotted pursuant to the Offer and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by him in the Offer;

(viii) The Selling Shareholder shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

(ix) The Selling Shareholders will take all such steps as may be required to ensure that the Equity Shares being sold by them in the Offer for Sale are available for transfer in the Offer for Sale;

(x) That the allotment of Allotment Advice/refund confirmation to Eligible NRIs shall be dispatched within specified time; and

(xi) The Selling Shareholder shall comply with all applicable laws, in India, including the Companies Act, the ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by him in the Offer.

(xii) The Selling Shareholder shall take all steps and provide all assistance to the Company and the BRLMs, as may be required for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Offer Closing Date of the Offer, failing which it shall forthwith repay without interest all monies received from Bidders to the extent of the Offered Shares. In case of delay, interest as per applicable law shall be paid by the Selling Shareholders.

The Selling Shareholders have authorized the compliance officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale and they shall extend reasonable cooperation to the Stock Exchanges and the BRLMs.

Utilization of Net Proceeds

Our Board certifies that:

(i) Our Company and the Selling Shareholders, respectively, declare that all monies received from the Fresh

Issue and the Offer for Sale shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act 2013.

(ii) details of all monies utilised out of the Fresh Issue referred to in sub item (i) shall be disclosed and continue to be disclosed until the time any part of the Net proceeds remains unutilised, under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised; and

(iii) details of all unutilised monies out of the Fresh Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

THE REMAINDER OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the RoC.Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act 2013 (to the extent notified and in effect), the Companies Act 1956 (to the extent applicable), the SCRR, industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-offer advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 OFFER PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

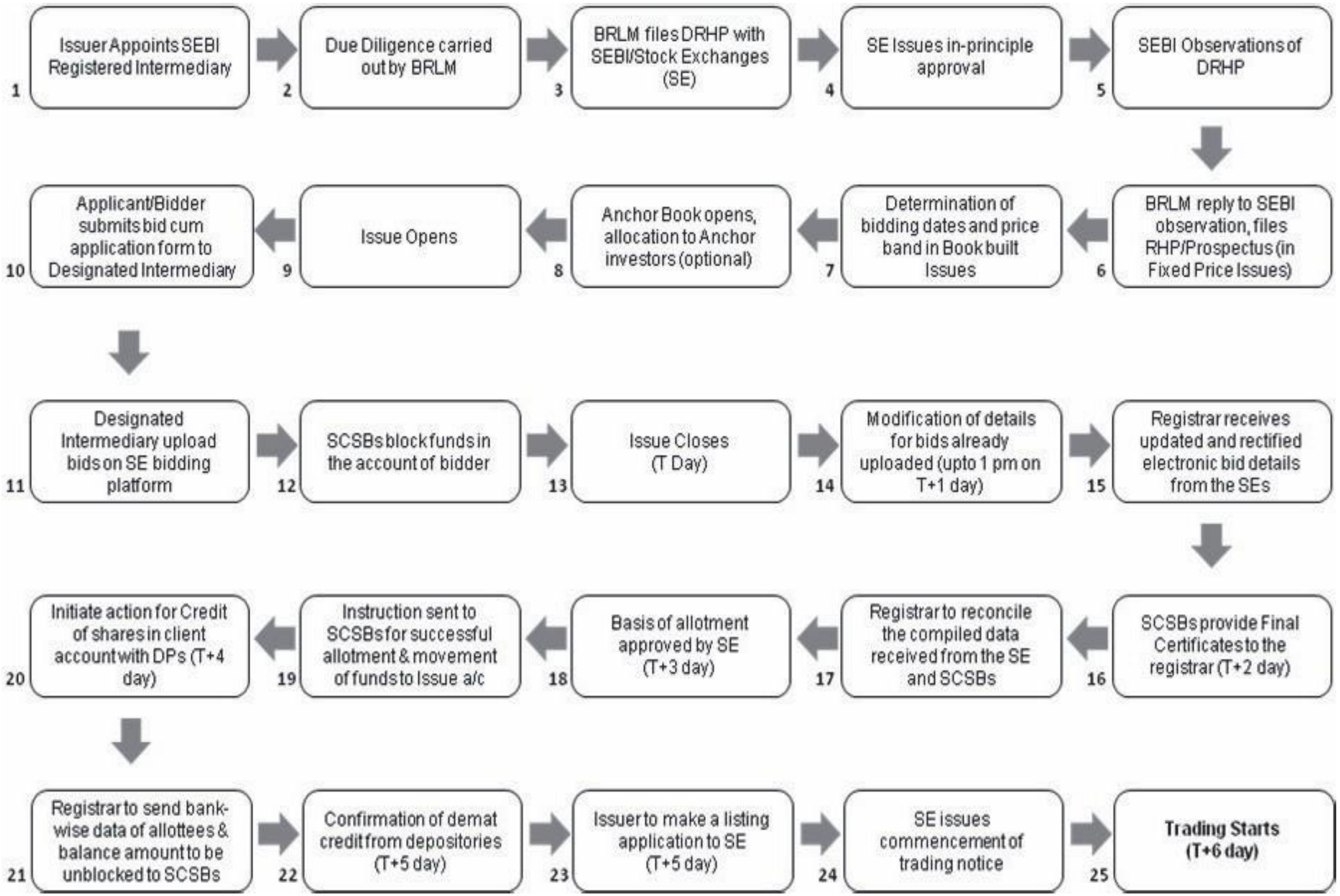
In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

i. Step 7 : Determination of Offer Date and Price
ii. Step 10: Applicant submits Bid cum Application Form with Designated Intermediaries.


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares; Scientific and/or industrial research organisations in India, authorised to invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the BRLM, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus. For Anchor Investors, Bid cum Application Forms shall be available at the offices of the BRLM.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FPIs on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form – For Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R
Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No.
Bank & Branch

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Application Form – For Non – Residents

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : .... Contact Details: .... CIN No	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✔ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

NRI	Non-Resident Indian(s) (Repatriation basis)
FII	FII or Sub-account not a Corporate/Foreign Individual
FIISA	FII Sub-account Corporate/Individual
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investors
OTH	Others (Please Specify)_______

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ________	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ________

Bank & Branch ________

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) Nomination Facility to Bidder/Applicant: Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose sole name or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice or unblocking of ASBA Account or for any correspondence(s) related to an Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off

Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.

In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least Rs.10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Offer size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5 : CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorization provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bid Amount for Bidders who Bid at Cut-off price shall be blocked on the Cap Price.

(c) All Bidders (except Anchor Investors) can participate in the Offer only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

4.1.7.1. **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by RTGS, NACH or NEFT.

(c) The Anchor Escrow Bank(s) shall maintain the monies in the Anchor Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2. **Payment instructions for Bidders (other than Anchor Investors)**

(a) Bidders may submit the Bid cum Application Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary(ies).

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) **Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

(g) **Bidders bidding through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) **Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.1.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.7.2 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may block for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

(b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Issue.

ii. In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.

iv. In case of queries relating to uploading of Bids by a Designated Intermediary, the Bidders/Applicants should contact the relevant Designated Intermediary.

v. Bidder/Applicant may contact the Company Secretary and compliance officer or BRLM(s) in case of any other complaints in relation to the Issue.

(c) The following details (as applicable) should be quoted while making any queries –

i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;

ii. name and address of the Designated Intermediary, where the Bid was submitted;

iii. in case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked; or

iv. in case of Anchor Investor Bids, the unique transaction reference number and the name of the relevant bank thereof.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

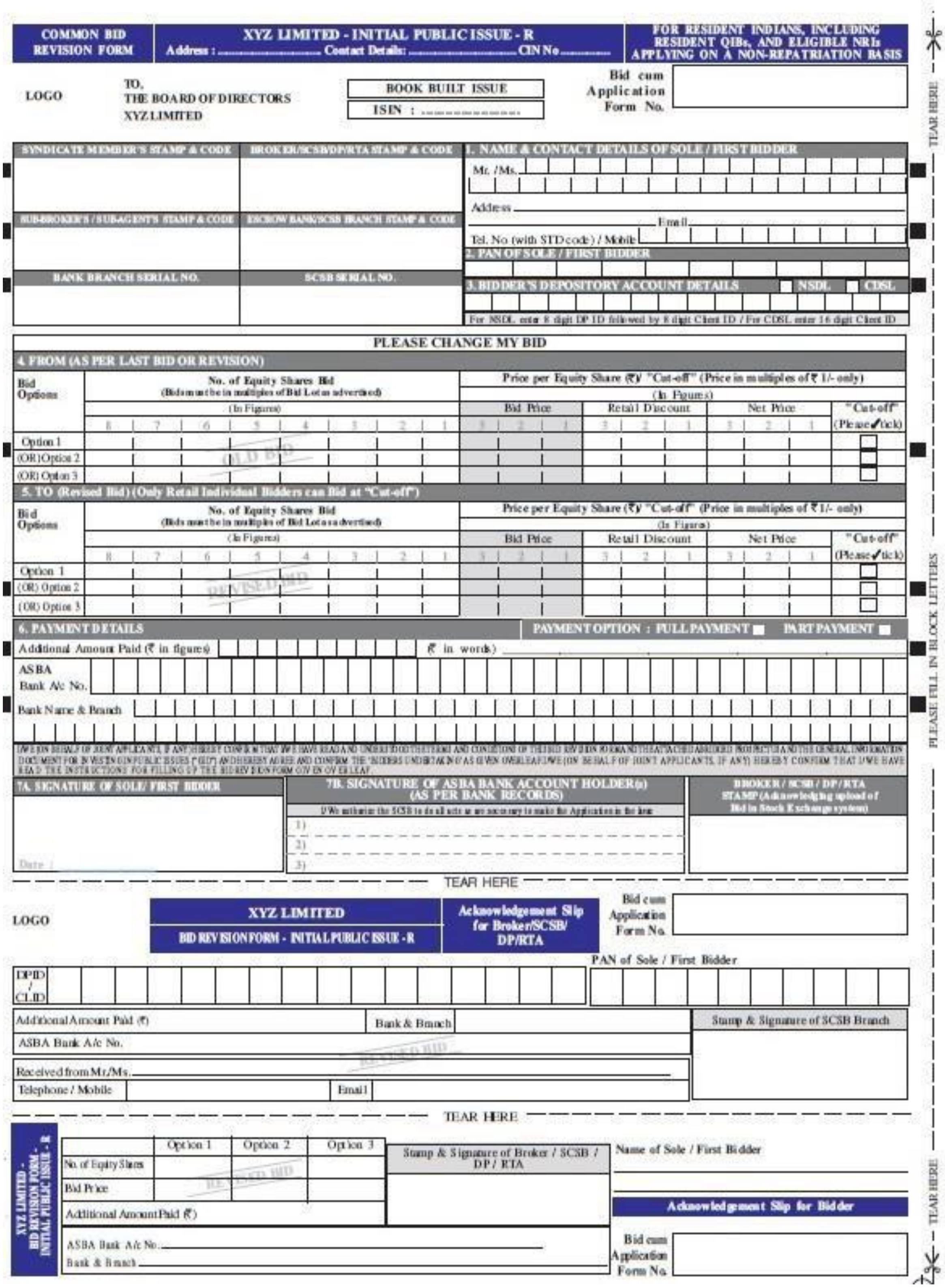
(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their Bids or withdraw their bids until Bid/Offer Closing date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO, THE BOARD OF DIRECTORS XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE

BROKER/SCSB/DP/RTA STAMP & CODE

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE

ESCROW BANK/SCSB BRANCH STAMP & CODE

2. PAN OF SOLE / FIRST BIDDER

BANK BRANCH SERIAL NO.

SCSB SERIAL NO.

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) 8 7 6 5 4 3 2 1	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price 3 2 1	Retail Discount 3 2 1	Net Price 3 2 1	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2	OLD BID				
(OR) Option 3					

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) 8 7 6 5 4 3 2 1	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price 3 2 1	Retail Discount 3 2 1	Net Price 3 2 1	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2	REVISED BID				
(OR) Option 3					

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price		REVISED BID	
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding will be unblocked after the allotment is finalized.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicant, Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional amount is required for blocking Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Offer size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Offer portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Offer

(b) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to the payment instructions included in paragraph 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Application to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Offer Closing Date.

4.3.5.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the Collecting RTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: OFFER PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Offer Period, ASBA Bidders/Applicants may approach any of the Designated Intermediary to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform

Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including providing instructions for unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalization of basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the Designated Intermediary;

ii. the Bids uploaded by the Designated Intermediary; and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;

(c) Bids/Applications by OCBs;

(d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;

(f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) Bids/Applications by persons in the United States;

(i) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(j) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(k) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(l) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(m) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(n) Bids/Applications at Cut-off Price by NIIs and QIBs;

(o) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(p) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(q) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(u) Bank account mentioned in the Bid cum Application Form may not be an account maintained by SCSB. Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;

(v) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;

(w) Where no confirmation is received from SCSB for blocking of funds;

(x) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(y) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;

(z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(aa) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in any category (except QIB category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of equity shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the Offer Price at or below such cut-off price, i.e., at or below Rs. 22.00. All bids at or above this Offer Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (**"Alternate Book Building Process"**).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: OFFER PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Offer Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (**"ASBA Account"**). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot **("Maximum RII Allottees")**. The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii)

Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to Rs.10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Anchor Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Anchor Escrow Accounts, as per the terms of the Cash Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Cash Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act 2013, the Issuer may be punishable with a fine which shall not be less than Rs. 5 lakhs but which may extend to Rs. 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith may take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not refunded to Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, as applicable, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Regulation 19(2)(b) of the SCRR. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

1. **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

2. **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

3. In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Bid cum Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

i. **NACH** — National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

ii. **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine- digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

iii. **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

iv. **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Anchor Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to

Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working Days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and this Red Herring Prospectus
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Offer/Anchor Escrow Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Anchor Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Offer Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date

Term	Description
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents or Collecting RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant’s address, name of the Applicant’s father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries

Term	Description
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Anchor Escrow Bank from the Anchor Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries /Collecting Agent	Syndicate Members, sub-syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and Collecting RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the Collecting RTAs where Bidders can submit the Bid cum Application Forms to Collecting RTAs. The details of such Designated RTA Locations, along with names and contact details of the Collecting RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Anchor Escrow Account	Account opened with the Anchor Collection Bankand in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Cash Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Anchor Escrow Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Anchor Escrow Bank	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable

Term	Description
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House
NEFT	National Electronics Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Offer Account	An account opened with the Banker to the Offer to receive monies from the Anchor Escrow Account and from the ASBA Accounts on the Designated Date

Term	Description
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date

Term	Description
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Bid/Offer Opening Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Applicability of Table F

Article 1 provides that none of the Regulations contained in Table marked F in Schedule I to the Companies Act, 2013, shall be applicable to the Company except so far as the Act or any modification there otherwise expressly provides.

Share capital and variation of rights

Article 6 provides that "The Shares shall be under the control of the Board, who may issue, allot or otherwise dispose off the same or any of them, on such terms and conditions, at such times, either at par or at a premium (subject to compliance of Section 52 and 53 of the Act), and for such consideration as the Board thinks fit provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

Article 14 provides that "Subject to the provisions of the said Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any one of them to such persons on such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 54 of the Act) at a discount and at such times as they may from time to time think fit and proper and with the sanction of the Company in General Meeting to give to any person the option to call for or be allotted shares of any class of the Company either at par or at premium or subject aforesaid at a discount during such time and for such consideration and such option being exercisable at such times as the Directors think fit and may allot and issue shares in the capital of the Company in lieu of services rendered to the Company or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed to be fully paid up shares."

Article 8 provides that "Except as provided by the Act, the Company shall not, except by reduction of capital under the provision of Section 66 of the said Act, buy its own shares nor give, whether directly or indirectly, and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company.

Provided that nothing in this Article shall be taken to prohibit:

(i)The provision of money in accordance with any scheme approved by the Company through Special Resolution and in accordance with the requirements specified in the relevant Rules, for the purchase of, or subscription for, fully paid up Shares in the Company, if the purchase of, or the subscription for the Shares held by trustees for the benefit of the employees or such Shares held by the employee of the Company;
(ii)The giving of loans by the Company to persons in the employment of the Company other than its Directors or Key Managerial Personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid up Shares in the Company to be held by them by way of beneficial ownership.
Nothing in this clause shall affect the right of the Company to redeem any shares issued under Section 55.
Buy back of Shares

In the event it is permitted by the Law and subject to such conditions, approvals or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own shares, whether or not there is any consequent reduction of Capital. If and to the extent permitted by Law, the Company shall also have the power to re-issue the shares so bought back."

Article 10 provides that “The Company may, subject to the provisions of Section 55 of the Act, issue preference shares which are liable to be redeemed and may redeem such shares in any manner provided in the said section and may issue shares up to the nominal amount of the shares redeemed or to be redeemed. Where the Company has issued redeemable preference shares the provisions of the said section shall be complied with. The manner in which such shares shall be redeemed, shall be as provided by Article 80 unless the terms of issue otherwise provide.’’

Article 11 provides that “Subject to the applicable provisions of the Act and other applicable laws, any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at a general meeting, appointment of nominee directors, etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by special resolution.”

Further issue of share capital

Article 17 provides that “The Company shall comply with the provisions of Section 62 of the Act with regard to increasing the subscribed capital of the Company.”

Article 75 provides that “The Directors may from time to time without any sanction of the Company, whenever all the shares in the issued capital shall not have been subscribed and whether all the shares for the time being subscribed shall have been fully called up or not, issue further shares of such value as they may think fit out of the unsubscribed balance of the issued capital. Such further shares shall be issued upon such terms and conditions (and if preference shares upon such conditions as to redemption) and with such rights and privileges annexed thereto as the Board shall direct and in particular, such shares may be issued with a preferential or qualified right to dividend and in the distribution of assets of the Company and subject to the provisions of Section 47 of the said Act with a special or without any right of voting and the Board may dispose of such shares or any of them either at par or at a premium, to any members or any class thereof or in such other manner as the Board may think most beneficial to the Company.”

Article 76 provides that “(1) Where it is proposed to increase the subscribed capital of the Company by the issue of new shares:
(i)Such new shares shall be offered to the persons who, at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit to the capital paid-up on these shares at that date;
(ii)the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
(iii)the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice shall contain a statement of this right;
(iv)after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company;
(v)To employees under a scheme of employees’ stock option, subject to Special Resolution passed by the company and subject to such conditions as may be specified in the relevant Rules;
(vi)To any persons, by way of passing a Special Resolution to that effect, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be specified in the relevant Rules.
(2)Whenever any shares are to be offered to the members the Directors may dispose of any such shares which, by reason of the proportion borne by them to the number of persons entitled to such offer or by reason of any other difficulty in apportioning the same cannot in the opinion of the Directors be conveniently offered to the members.

(3)The right to issue further shares provided in this clause, shall include a right to the Company, to issue any instrument, including Global Depositary Receipt."

Article 77 provides that "Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by creation of new shares shall be considered as part of the capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer, transmission, forfeiture, lien, surrender, voting and otherwise in all respects as if it had been the original capital."

Article 78 provides that "The Directors shall, whenever there is a change in the share capital, file with the Registrar of Companies notice of the increase of the capital as provided by Section 64 of the said Act within thirty days after the passing of the resolution authorising the increase."

Article 18 provides that "If and whenever as the result of issue of new shares or any consolidation or sub-division of shares, any shares become held by members in fractions, the Directors shall subject to the provisions of the Act and the Articles and to the directions of the Company in general meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorize any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be effected by any irregularity or invalidity in the proceedings in reference to the sale."

Deposit and Call on shares

Article 21 provides that "The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposits, calls or otherwise in respect of any shares allotted by them, shall, immediately on the inscription of the name in the Register of Members as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly."

Article 22 provides that "Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares, falling under the same class."

Article 23 provides that "The Directors shall cause to be made the returns as to all allotments from time to time made in accordance with the provisions of Section 39 of the said Act."

Article 24 provides that "If, by the conditions of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be of the shares or his legal representative."

Article 26 provides that "If any share stands in the names of two or more persons, all the joint-holders of the share shall be severally as well as jointly liable for the payment of all deposits, instalments, and calls due in respect of such shares, and for all incidents thereof according to the Company's regulations; but the persons first named in the Register shall, as regards service of notice, and all other matters connected with the Company, except the transfer of the share and any other matter by the said Act or herein otherwise provided, be deemed the sole holder thereof."

Article 34 provides that "A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by members on a subsequent date to be specified by Directors."

Article 35 provides that "Fourteen days' notice at least of every call made payable otherwise than on allotment shall be given by the Company in the manner hereinafter provided for the giving of notices specifying the time and place of payment, and the person to whom such call shall be paid. Provided that before the time for payment of such call the Board may by notice given in the manner hereinafter provided revoke the same. The Board may, from time to time at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who, the Board may deem fairly entitled to such extension; but no member shall be entitled to any such extension, except as a matter of grace and favour"

Article 36 provides that "If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by instalments at fixed times, whether on account of the share or by way of premium, every such amount or instalments shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalments accordingly."

Article 37 provides that "If the sum payable in respect of any call or such other amount or instalments be not paid on or before the day appointed for payment thereof or any extension thereof as aforesaid, the holder for the time being of the share, in respect of which the call shall have been made, or such amount or instalment shall be due, shall pay interest for the same, from the day appointed for the payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum, as shall from time to time be fixed by the Board. Nothing in this Article shall however, be deemed to make it compulsory on the Board to demand or recover any such interest, and the payment of such interest, wholly or in part, may be waived by the Board if they think fit so to do."

Article 38 provides that "Any money due from the Company to a member may, without the consent and notwithstanding the objection of such member, be applied by the Company in or towards the payment of any money due from him to the Company for calls or otherwise."

Article 39 provides that "Neither a judgment nor a decree in favour of the Company for calls of other moneys due in respect of any shares nor any part- payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the forfeiture of such shares as hereinafter provided."

Article 40 provides that "On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives to recover any moneys claimed to be due to the Company for any call or other sum in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered, and that the amount claimed is not entered as paid in the books of the Company or the Register of Members and that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call, not that a quorum of Directors was present at the meeting of the Board at which such call was made, nor that the meeting at which such call was made duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debts, and the same shall be recovered by the Company against the member or his representatives from whom the same is sought to be recovered unless it shall be proved, on behalf of such member or his representatives against the Company that the name of such member was improperly inserted in the register, or that the money sought to be recovered has actually been paid."

Forfeiture and lien on shares

Article 43 provides that "If any member fails to pay any money due from him in respect of any call made or amount or instalment as provided in Article 35 on or before the day appointed for payment of the same, or any such extension thereof as aforesaid or any interest due on such call or amount or instalment or any expenses that may have been incurred thereon, the Directors or any person authorized by them for the purpose may, at any time thereafter, during such time as such money remains unpaid, or a judgment or a decree in respect thereof remains unsatisfied in whole or in part, serve a notice in the manner hereinafter provided for the serving of notices on such member or any of his legal representatives or any of the persons entitled to the share by transmission, requiring payment of the money payable in respect of such share, together with such interest and all expenses (legal or otherwise) incurred by the Company by reason of such non-payment."

Article 44 provides that "The notice shall name a day (not earlier than the expiration of fourteen days from the date of the notice) and a place or places on or before and at which the money due as aforesaid is to be paid. The notice may also state that in the event of the non-payment of such money at or before the time and the place appointed, the shares in respect of which the same owed will be liable to be forfeited."

Article 45 provides that "If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which the notice is given may, at any time thereafter before payment of all calls or amounts or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture."

Article 47 provides that "Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same, either to the original holder thereof or to any other persons, and either by public auction or by private sale and upon such terms and in such manner as the Directors shall think fit."

Article 48 provides that "In the meantime, and until any share so forfeited shall be sold, re-allotted or otherwise dealt with as aforesaid, the forfeiture thereof may at the discretion and by a resolution of the Board, be remitted or annulled as a matter of grace and favour but not as of right, upon such terms and conditions as they think fit."

Article 49 provides that "Any member whose shares have been forfeited shall, notwithstanding the forfeiture, remain liable to pay and shall forthwith pay to the Company all calls, amounts, instalments, interest expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon, from the time of the forfeiture until payment, at the rates, not exceeding ten percent per annum as the Board may determine, in the same manner in all respects as if the shares had not been forfeited, without any deduction or allowance for the value of the shares at the time to the forfeiture and the Board may enforce the payment thereof if they think fit (but without being under any obligation to do so) without entitling such member or his representative to any remission of such forfeiture or to any compensation for the same, unless the Directors shall think fit to make such compensation, which they shall have full power to do, in such manner and on such terms on behalf of the Company as they shall think fit."

Article 50 provides that "The forfeiture of a share shall involve the extinction of all interest in and of all claims and demands against the Company of the member in respect of the share and all other right of the member incident to the share except only such of those rights as by these Article are expressly saved."

Article 51 provides that "The Directors may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering those on such terms as they think fit."

Article 53 provides that "The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share."

Article 54 provides that "The Company shall have a first and paramount lien upon all the shares not being fully paid-up shares, registered in the name of each member (whether solely or jointly with another or others) and upon the proceeds of sale thereof, for all moneys from time to time due or payable by him to the Company for calls made and all amounts or instalments as provided by Article 35 payable in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that Article 25 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Board may at any time declare any shares to be exempt, wholly or partially from the provisions of this Article. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares."

Article 55 provides that "For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit and transfer the same to the name of the purchaser, without any consent and notwithstanding any opposition on the part of the indebted member or any other person or persons interested therein and a complete title to the shares which shall be sold and transferred shall be acquired by the purchaser, by virtue of such sale and transfer, against such indebted member and all persons claiming with or under him whether he may be indebted to the Company in point of fact or not. But no such sale shall be made until notice in writing stating the amount due or specifying the liability of engagement and demanding payment or fulfillment or discharge thereof and of the intention to sell in default shall have been served upon such member or his heirs, executors, administrators, representatives or persons and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for seven days after such notice."

Article 56 provides that "The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts liabilities or engagements and the residue (if any) paid to such or any of his executors, administrators, representatives or assigns or any of the persons (if any) entitled by transmission to the shares sold."

Article 58 provides that "Upon any such sale after forfeiture or for enforcing a lien in purported exercise of powers the Board shall cause the purchaser's name to be entered in the Register in respect of the shares sold and shall issue to the purchaser a certificate such as is specified in Article 50 hereof in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively."

Transfer and Transmission of Shares

Article 60 provides that "The instrument of transfer shall be in writing and a common form of transfer shall be used. No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer (which shall be in the form specified in the Rules) shall be duly stamped, dated and shall be executed by or on behalf of the transferor and the transferee and in the case of a share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint-holders or by all such joint transferees, as the case may be, several executors or administrators of a deceased member proposing to transfer the shares registered in the name of such deceased member shall all sign the instrument of transfer in respect of the share as if they were the joint-holders of the share. The instrument of transfer shall specify the name, address and occupation, if any, of the transferee. The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever."

Article 61provides that "In the case of the death of any one or more of the persons named in the Register as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of the deceased joint-holder from any liability on the shares held by him jointly with any other person."

Article 62 provides that “the title of the shares of the deceased member to be decided on the basis of (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(2) Where there is no nominee, the executors or administrators of a deceased member not being one of several joint-holders shall be the only persons recognised by the Company as having any title to the shares registered in the name of such deceased member, and the Company shall not be bound to recognise such executors or administrators, unless they shall have first obtained probate or letters of administration or other legal representation, as the case maybe, provided nevertheless, the Directors, in any case where they in their absolute discretion think fit, may dispense with the production of Probate or Letters of Administration or such other legal representation, upon such terms as to indemnity or otherwise as they may deem fit and under the next Article, register the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member as a member in respect of such shares.”

Article 63 provides that “Subject to the provisions of the last preceding Article, any person to whom the right to any share has been transmitted in consequence of the death or insolvency of any member or otherwise by operation of law may, with the consent of the Board(which they shall not be under any obligation to give) and upon his producing such evidence that he sustains the character in respect of which he proposes to act under the Article and of his title as the Directors think sufficient be registered as a member in respect of such shares. This clause is hereinafter referred to as the ‘transmission clause’. A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of effecting the transmission.”

Article 64 provides that “Every transmission of a share shall be verified in such a manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient; provided nevertheless, that there shall not be any obligation on the Company or the Directors to accept any indemnity, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.”

Article 65 provides that “A person entitled to share by transmission may, until the Directors otherwise determine as provided in Article 129, receive and give discharge for any dividends, bonuses or other moneys payable in respect of the share, but he shall not be entitled to vote at any meetings of the Company and to any of the rights and privileges of a member, unless and until he shall have become a member in respect of the shares.”

Article 68 provides that “The Board may, at its absolute and uncontrolled discretion and without assigning or being under any obligation to give any reason, decline to register or acknowledge any transfer or transmission of shares and in particular, may so decline in any case in which the Company has a lien upon the shares or any of them or in the case of shares not fully paid-up whilst any moneys called or payable at a fixed time in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Board. Nothing in Section 56 of the Act shall prejudice this power to refuse to register the transfer of or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The registration of a transfer shall be conclusive evidence of the approval by the Board of the transferee, but so far only as regards the share or shares in respect of which the transfer is so registered and not further or otherwise and not so as to debar the Board to refuse registration of any further shares applied for. If the Board refuses to register the transfer or transmission of any shares notice of the refusal shall within two months from the date on which the instrument of transfer on intimation of transmission was delivered to the Company be sent to the Transferee and the Transferor or to the person giving intimation of the transmission, as the case may be. The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.”

Article 72 provides that "The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made, by an apparent legal owner thereof (as shown or appearing in the Register of Members), to the prejudice of any person or persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right title or interest or prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company; and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit."

Article 73 provides that "The provision of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debentures of the Company."

Reduction of share capital

Article 81 provides that "The Company may from time to time by Special Resolution, in such manner specified in the Act and subject to such consents as may be required under any other law for the time being in force, reduce in any manner:

(1) Its share capital;
(2) Any capital redemption reserve account; or
(3) Any securities premium account."

Article 82 provides that "(1) Subject to the provisions of Section 55 of the said Act, whenever any preference shares are issued which are or at the option of the Company are liable to be redeemed, the following provisions shall take effect :

(i) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption.

(ii) No such shares shall be redeemed unless are fully paid.

(iii) The premium, if any payable on redemption must be provided for out of the profits of the Company or out of the Company's Securities Premium Account before the shares are redeemed.

(iv) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue there shall, out of profits which would otherwise have been available for dividend be transferred to the Capital Redemption Reserve Account, a sum equal to the nominal amount of the share redeemed.

(2) Subject to the provisions of Section 55 of the Act and these Articles the redemption of preference shares hereunder maybe effected in accordance with the terms and conditions of their issue and in the absence of any such terms and conditions in such manner as the Directors may think fit.

(3) The redemption of preference shares under this provision by the Company shall not be taken as reducing the amount of its authorised share capital.

(4) Where the Company has redeemed or is about to redeem any preference shares, it shall never have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the share capital of the Company shall not, for the purpose of calculating the fees payable under Section 385 of the said Act, be deemed to be increased by the issue of shares in pursuance of this Article. Provided that, where new shares are issued before the redemption of the old shares, the new shares shall not so far as related to stamp duty, be deemed to have been issued in pursuance of this Article unless the old shares are redeemed within one month after the issue of the new shares.

(5) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

General Meeting

Article 85 provides that “The Company shall, in addition to any other meetings which are hereinafter referred to as “Extraordinary General Meeting”, hold a General Meeting which shall be styled its Annual General Meeting at the intervals and in accordance with the provisions of the Act.”

Article 86 provides that “The Directors may call Extraordinary General Meetings of the Company whenever they think fit and such meetings shall be held at such place and time as the Directors think fit.”

Article 89 provides that “General Meeting of the Company may be called by giving at least clear twenty one day’s notice in writing or through electronic mode but a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting. Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at meeting and not on others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.”

Contents of Notice
(2) Notice of every general meeting of the Company shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted thereat.

To whom notice to be given
(3) Such notice shall be given -

- (ii) To every member of the Company, legal representative of any deceased Member or the assignee of an insolvent Member;
- (iii) To the auditor or auditors of the Company;
- (iv) To every Director of the Company.
- (v) To every trustee for the debenture holder of any debentures issued by the Company. Omission to give notice or non-receipt of notice shall not invalidate proceedings

Omission to give notice or non-receipt of notice shall not invalidate proceedings
(4) The accidental omission to give notice to or the non-receipt of notice by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

Proxy
(5) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy or where that is allowed one or more proxies, to attend and vote instead of himself and that a proxy need not be a member.

Explanatory statements
(6) Where any items of business to be transacted at the meeting are deemed to be special as provided in Article 88 there shall be annexed to the notice of the meeting a statement setting out all materials facts concerning each such item of business namely:
a) The nature of concern or interest, financial or otherwise, if any of the following persons, in respect of each item of:
(i) every Director and the Manager; if any;
(ii) every other Key Managerial Personnel; and
(iii) relatives of the persons mentioned in sub-clause (i) and (ii);
(b) Any other information and facts that may enable members to understand the meaning, scope and implementation of the items of business and to take decision thereon.

Inspection of documents referred in the explanatory statement
(7) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Proceedings at General Meeting

Article 94 provides that "No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business a statement of which has not been specified in the notice convening the meeting except as provided in the said Act."

Article 95 provides that "No business shall be transacted at any General Meeting, unless the requisite quorum is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be the presence in person of such number of members as specified in Section 103 of the Act. Subject to Article 82(7) when more than one of the joint-holders of a share is present only one of them shall be counted for ascertaining the quorum. Several executors or administrators of a deceased person in whose sole name shares stand shall for the purpose of this clause be deemed joint holders thereof."

Article 96 provides that "If, within half an hour from the time appointed for holding the meeting, a quorum of members is not present, the meeting if convened by or upon such requisition of members as aforesaid shall be dissolved, but in any other case it shall stand adjourned pursuant to the provisions of sub-section (2) of section 103 of the Act."

Article 104 provides that "Minutes of Proceedings of General Meetings of Board and Other Meeting have to be recorded:
(1) (a) The Company shall cause minutes of all proceedings of General Meetings of any class of shareholders or creditors, and every resolution passed by postal ballot and of all proceedings at meetings of its Board of Directors or of committees of the Board, to be entered in books kept for the purpose.
(b) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
(c) All appointments of officers made at any time of the meetings aforesaid shall be included in the minutes of the meeting.
(d) In case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
(I) the names of the Directors present at the meeting; and the names of the Directors who are present through video or other audio-visual means.
(II) in the case of each resolution passed at the meeting, the name of the Directors, if any, dissenting from or not concurring on the resolution.
(e) There shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting:
(I) is or could reasonably be regarded as defamatory of any person;
(II) is irrelevant to the interests of the Company; or
(II) is detrimental to the interests of the Company. Explanation: -
The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article."

Voting rights and proxy

Article 108 provides that "No member shall be entitled to exercise any voting right on any question either personally or by proxy or upon poll (including voting by electronic means) in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has or has exercised any right of lien."

Article 110 provides that "A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or at a poll by his committee or other legal guardian and not otherwise, and any such committee or guardian may, on a poll, vote by proxy."

Article 111 provides that "Notwithstanding anything contained in this Articles, where the title to any Securities is under dispute before any court, where no injunction subsists (or direction made) as to the exercise of voting rights or other rights of a member including the rights attached to such Securities, the Board shall be entitled to suspend any such right aforesaid."

Article 112 provides that "A Member being a Body Corporate (whether a company within the meaning of the said Act or not) may by resolution of its Board of Directors or other governing body authorise such persons as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the Body Corporate which he represents as that body could exercise if it were a member, creditor or holder of debentures of the Company."

Article 113. provides that "(1) Subject and without prejudice to any special privileges or restrictions or conditions for the time being attached to or affecting the preference or other special classes of shares, if any, issued by and for the time being forming part of the capital of the Company every member, entitled to vote under the provisions of these presents and not disqualified by the provisions of Articles 106, 108 and 109 or by any other Article shall on a show of hands have one vote and upon a poll every member, present in person or proxy or agent duly authorised by a power-of-attorney or representative duly authorised and not disqualified as aforesaid, shall have voting rights in proportion to his share of the paid-up equity capital of the Company subject however to any limits imposed by law. But no member shall have voting right in respect of any moneys paid in advance as provided by Article 40(b).

No voting by proxy on show of hands

(2)No member not personally present shall be entitled to vote on a show of hands unless such member is a Body Corporate present by proxy or by a representative duly authorised under Section 113 of the Act in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

(3)A Member may exercise his vote, in respect of items of business to be transacted for which notice is issued, by electronic means in accordance with Section 108, and shall vote only once.

Article 114 provides that "On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. A member or his proxy who votes shall be deemed to have used all his votes unless he expressly gives written notice to the contrary at the time he casts any votes."

Article 115 provides that "Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll. A person shall (a) not act as proxy for more than 50 Members and holding in aggregate not more than 10% of the total share capital of the Company; (b) not act as proxy for more than one Member, if that Member holds more than 10% of the total share capital of the Company."

Article 116 provides that "The instrument appointing a proxy shall be in writing and shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is a Body Corporate such instrument shall be under its seal or be signed by an officer or an attorney duly authorised by it, or by the persons authorised to act as the representative of such company under Article 110. Any instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in the demand for a poll on behalf of the appointer, where a poll has not been ordered to be carried out electronically."

Article 117 provides that "No instrument of proxy shall be treated as valid and no person shall be allowed to vote or act as proxy at any meeting under an instrument of proxy, unless such instrument of proxy and power-of-attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall have been deposited at the Registered Office of the Company atleast forty- eight hours before the time appointed for holding the meeting or adjourned meeting at which the persons named in such instrument proposes to vote. An instrument appointing a proxy or an attorney permanently or for a certain period once registered with the Company need not be again registered before each successive meeting and shall be in force until the same shall be revoked. Notwithstanding that a power-of-attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or to attorney at least seven days before the date of a meeting require him to produce the original power-of-attorney or authority and unless the same is thereupon deposited with the Company the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit."

Article 119 provides that "The instrument appointing a proxy whether for a specified meeting or otherwise shall be in Form MGT-11."

Capitalisation of profits and dividends

Dividends

Article 123 provides that "The Company in General Meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits, and may fix the time for the payment thereof."

Article 126 provides that "Unless the Company otherwise resolves, dividends shall be paid in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some share than on others. Provided always that any capital paid up on a share during the period in respect of which a dividend is declared shall unless otherwise resolved be only entitled the holder of such share to a proportionate amount of such dividend from the date of payment."

Article 127 provides that "Capital paid-up in advance of calls shall not confer a right to dividend or to participate in profits."

Article 128 provides that "No dividends shall be payable except out of profits of the Company of the year or any other undistributed profits and no dividend shall carry interest against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive."

Article 129 provides that "The Directors may, from time to time, declare and pay to the members such interim dividend as in their judgment the position of the Company justifies."

Article 131 provides that "The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member, or which any person under the same clause is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same."

Article 133 provides that "All dividends shall be paid by the cheque or warrant in respect thereof and shall be posted within thirty days of the date on which such dividend is declared by the Company. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by forged endorsements on any cheque or warrant, or the fraudulent or improper recovery thereof by any other means."

Article 138 provides that "Any General Meeting declaring a dividend may make a Call on the Members of such amount as the meeting fixes and so that the Call be made payable at the same time as the dividend, and the dividend may, if so resolved by the Company in General Meeting be set off against the Calls."

Capitalisation of profits

Article 139 provides that "(1) A General Meeting of the Members, in a meeting in person or proxy or, through Postal Ballot or, by any other means, as may be permitted may on the recommendation of the Board, direct capitalisation of the whole or any part of the undivided profits for the time being of the Company or the whole or

any part of the Reserve Fund or other funds of the Company including the moneys in the Securities Premium Account and the Capital Redemption Reserve Account or the premiums received on the issue of any shares, debentures or debenture-stock of the Company and that such sum be accordingly set free for the purpose, (1) by the issue and distribution, among the holders of the shares of the Company or any of them, in accordance with their respective rights and interests and in proportion to the amounts paid or credited as paid up thereon, of paid-up shares, debentures, debenture-stock bonds or other obligations of the Company, or (2) by crediting any shares of the Company which may have been issued and are not fully paid up, in proportion to the amounts paid or credited as paid up thereon respectively, with the whole or any part of the same.
(2)For the purposes above set out the Company may, subject to the provisions contained in Section 63, apply: (i) its free reserves,
(ii) the Securities Premium Account subject to the provisions of Section 52(2) of the said Act; (iii) the Capital Redemption Reserve Fund subject to the provisions of Section 55(4) of the said Act; and (iv) such other reserves or account as may be applied for issue of bonus shares."

Article 140 provides that "The Board shall have the right to fix a date for the purpose of determining the Members who are entitled to the payment of the dividend, or shares pursuant to the capitalisation of reserves, and for any other action of the Company that requires determination of the details of Members."

Board of Directors

Article 150 provides that "The number of Directors shall not be less than four and not more than fifteen Directors. The Company shall have the power to increase the number of Directors beyond 15 after passing a Special Resolution."

Article 151 provides that "If and when the Company shall issue debentures the holders of such debentures, or if and when the Company shall create a mortgage of any property, the mortgagee or mortgagees to whom such property shall be mortgaged, may have the right to appoint and nominate and from time to time remove and reappoint a Director or Directors, in accordance with the provisions of the Trust Deed securing the said debentures, or the deed creating such mortgages, as the case may be. A Director so appointed under this Article, is herein referred to as "The Debenture Director" and the term "Debenture Director" means a Director for the time being in office under the Article, and he shall have all the rights and privileges of an ordinary Director of the Company, except in so far as is otherwise provided for herein or by the Trust Deed securing the-Debentures or the deed creating the mortgage, as the case may be."

Article 152 provides that "Any deed for securing loans by the Company from financial corporations may be so arranged to provide for the appointment from time to time by the lending financial corporation of some person or persons to be a director or directors of the Company and may empower such lending financial corporation from time to time to remove and re-appoint any Director so appointed. A Director appointed under this Article is herein referred as "Nominee Director" and the term "Nominee Director" means any director for time being in office under this Article. The deed aforesaid may contain ancillary provisions as may be arranged between the Company and the lending corporation and all such provisions shall have effect notwithstanding any of the other provisions herein contained."

Article 153 provides that "No Director of the Company be required to hold any qualification shares."

Remuneration to Directors

Article 155 provides that " A Director may receive remuneration by way of fee not exceeding such amount as may be permissible under the Rules for attending each meetings of the Board or Committee thereof; or of any other purpose whatsoever as may be decided by the Board."

Article 156 provides that "Subject to the provisions of Section 197 of the Act:

Additional Remuneration for Services

(1)Any one or more of the Directors shall be paid such additional remuneration as may be fixed by the Directors for services rendered by him or them and any one or more of the Directors shall be paid further remuneration if any as the Company in General Meeting or the Board of Directors shall from time to time determine. Such remuneration and/or additional remuneration may be paid by way of salary or commission on net profits or turnover or by participation in profits or by way of perquisites or in any other manner or by any or all of those modes.
(2)If any director, being willing shall be called upon to perform extra services, or to make any special exertion for any of the purposes of the Company, the Company in General Meeting or the Board of Directors shall, subject as aforesaid, remunerate such Director or where there is more than one such Director all or such of them together either by a fixed sum or by a percentage of profits or in any other manner as may be determined by the Directors and such remuneration may be either in addition to or in substitution for the remuneration above provided."

Article 157 provides that "The Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these articles not exceeding such amount as is permissible under the Rules, per meeting attended by him."

Article 158 provides that "The Board of Directors may allow and pay to any Director fair compensation for his travelling and other expenses incurred in connection with the business of the Company including attendance at meeting of the Board or Committee thereof."

<u>Appointment and rotation of Directors</u>

Article 159 provides that "A person shall not be capable of being appointed Director of the Company, if:-

(i) he has been found to be unsound mind by court of competent jurisdiction;
(ii) he is an undischarged insolvent;
(iii) he has applied to be adjudicated as an insolvent and his application is pending;
(iv) he has been convicted by a Court in India of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than 6 months, and a period of five years has not elapsed from the date of expiry of the sentence;
(v) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others and six months have elapsed from the last day fixed for the payment for the call;
(vi) an order disqualifying him for appointment as Director has been passed by a Court or Tribunal and the order is in force;
(vii) he has been convicted of the offence dealing with related party transactions under Section 188; or.
(viii) he has not complied with sub-section 3 of section 152."

Article 160 provides that "(1) The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.
(2)Not less than two-thirds of the total number of Directors of the Company shall:

(ii) (i)be persons whose period of office is liable to determination by retirement of Directors by rotation; and
(iii) (ii)save as otherwise expressly provided in the said Act; be appointed by the Company in General Meeting.
(iv) Explanation:- for the purposes of this Article "total number of Directors" shall not include Independent Directors appointed on the Board of the Company.

(3)The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit."

Article 161 provides that "Provision regarding Directors retiring by rotation shall be in accordance to Section 152 of the Act"

Article 162 provides that "The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be reappointed a Director by the Board of Directors."

Article 165 provides that "(1) At a General Meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that is shall be so made has first been agreed to by the meeting without any vote being given against it.
(2)A resolution moved in contravention of clause (1) shall be void, whether or not objection was taken at the time to its being so moved.
(3)For the purpose of this Article a motion for approving a person's appointment or for nominating a person for appointing shall be treated as a motion for his appointment"

Article 166 provides that "The Directors shall have power at any time and from time to time, to appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time. Each such Additional Director shall hold office only up to the date of the next following Annual General Meeting, or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company at that meeting as a Director."

Article 167 provides that "(1) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.
(2)Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it has not been vacated as aforesaid."

Article 168 provides that " (1) The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India.
(2)No person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an Independent Director.
(3)An Alternate Director shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly.
(4)An Alternate Director shall vacate office if and when the Original Director returns to India.
(5)If the term of office of the Original Director is determined before he so returns to India as aforesaid any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.
(6)An Alternate Director may be removed by the Board of Directors which may appoint another Alternate Director in his place."

Article 169 provides that "The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below three, the continuing Directors may act for the purpose of increasing the number of Directors to the said number, or of summoning a General Meeting of the Company, but for no other purpose."

Article 170 provides that "Subject to the provisions of Section 168 of the Act a Director may at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated."

Proceedings of Board of Directors

Article 171 provides that "A minimum number of four meetings of the Directors shall have been held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meeting and proceedings, as they think fit, and may determine the quorum necessary for the transaction of business."

Article 172 provides that "The Board of Directors shall be entitled to hold its meeting through video conferencing or other permitted means, and in conducting the Board meetings through such video conferencing or other permitted means the procedures and the precautions as laid down in the relevant Rules shall be adhered to. With regard to every meeting conducted through videoconferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting."

Article 174 provides that "The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other permitted means shall also counted for the purposes of this Article. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time."

Article 175 provides that "If a meeting of the Board could not be held for want of a quorum then the meeting shall automatically stand adjourned to the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a National Holiday at the same time and place."

Borrowing powers of Directors

Article 187 provides that "(1) Subject to clause (2) hereof the Directors may, from time to time at their discretion raise or borrow, or secure the repayment of any loan or advance taken by the Company. Any such moneys may be raised and the payment or repayment of such moneys may be secured in such manner and upon such terms and conditions in all respects as the Directors may think fit and, in particular by promissory notes, or by opening current accounts or by receiving deposits and advances at interest, with or without security, or by the issue of debentures of debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, or by mortgaging, charging or pledging any lands, buildings, machinery, plants, goods or other property and securities of the Company, or by such other means as to them may seem expedient.

(2)Restrictions on Powers of Board
(1)The Board of Directors shall not, except with the consent of the Company in General Meeting, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. No debt by the Company in excess of limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that Article has been exceeded.
(2)Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company, shall be under the Control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Power of Directors

Article 191 provides that " (1) Subject to the provisions of Section 135, 179, 180, 181, 182, 183, 184, 185, 186, 188 and 203 of the Act, the Board of Directors of the Company shall be entitled to exercise all such powers, give all such consents, make all such arrangements, be nearly do all such acts and things as are or shall be by the said Act, and the memorandum of association and these precedents directed or authorized to be exercised, given, make or done by the Company and are not thereby expressly directed or required to be exercised, given, made or done by the Company in General Meeting, but subject to such regulations being (if any) not inconsistent with the said provisions as from time to time may be prescribed by the Company in General Meeting provided that no regulation so made by the company in General Meeting shall invalidate any prior act of the Directors which would have been valid if the regulations had not been made."

Managing Directors

Article 193 provides that "Subject to the provisions of Section 196, 197, and 203 of the Act, the Directors may from time to time appoint one or more of their body to be Managing Director, Joint Managing Director or Managing Directors, Whole-time Director, Manager or Chief Executive Officer of the Company either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office but in any case not exceeding five years at a time and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places."

Winding up

Article 210 provides that "If upon the winding-up of the Company, the surplus assets shall be more than sufficient to repay the whole of the paid-up capital, the excess shall be distributed amongst the members in proportion to the capital paid or which ought to have been paid-up on the shares at the commencement of the winding-up held by them respectively, other than the amounts paid in advance of calls. If the surplus assets shall be insufficient to repay the whole of the paid-up capital, such surplus assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively, other than the amounts paid by them in advance of calls. But this Article is without prejudice to the rights of the holders of any shares issued upon special terms and conditions and shall not be construed so as to or be deemed to confer upon them any rights greater than those conferred by the terms and conditions of issue."

Indemnity

Article 215 provides that "Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.
A copy of the draft altered Articles of Association (AOA) of the Company is kept at the Registered Office of the Company for inspection of the members during office hours.
As per the provisions of Section 14 of the Companies Act, 2013 any alteration so made shall require Shareholders approval by way of special resolution."

Unpaid or Unclaimed Dividend

Article 216 provides that "Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank."

Article 217 provides that "Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed."

Article 218 provides that “No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by law.”

SECTION IX – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10.00 am to 5.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Material Contracts to the Offer

1. Offer Agreement dated August 24, 2018 entered into among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated August 20, 2018 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders, the members of the Syndicate, Banker(s) to the Offer, Refund Bank and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer.
6. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended until date.
2. Certificate of incorporation dated February 3, 1983, as amended on March 31, 1990 and October 22, 1994.
3. Board resolution and shareholders' resolution of our Company, dated June 8, 2018 and July 7, 2018, respectively, authorizing the Offer and other related matters.
4. Consent letters dated: (i) August 9, 2018 from Mr. Madhu Bhushan Khurana; (ii) August 9, 2018 from Mr. Sidhartha Bhushan Khurana; (iii) August 10, 2018 from Ms. Chand Khurana; (iv) July 7, 2018 from Mr. Ajay Leekha; (v) July 7, 2018 from Mr. Sanjay Leekha jointly held with Ms. Charu Leekha; (vi) July 7, 2018 from Ms. Charu Leekha; (vii) July 7, 2018 from Mr. Sanjay Leekha; (viii) July 12, 2018 from Mr. Anil Kumar Chopra; (ix) July 12, 2018 from Mr. Praveen Chopra; (x) July 13, 2018 from Ms. Naintara Mehta; (xi) July 14, 2018 from Mr. Harsh Deva Shanghari jointly held with Ms. Suneeta Shanghari; (xii) July 13, 2018 from Mr. Sunil Kumar Rastogi; and (xiii) July 10, 2018 from Ms. Shilpa Arora, severally authorizing their portions of the Offer for Sale.
5. Certified copy of the Board resolution dated April 26, 2018 approving the terms and conditions of the appointment and remuneration of Mr. Sidhartha Bhushan Khurana.
6. Copies of annual reports for the last five Fiscals.
7. The examination reports of the Statutory Auditors, dated August 18, 2018 on our Restated Financial Statements included in this Draft Red Herring Prospectus.
8. CTC of the shareholders' resolution dated September 26, 2015 approving the terms and conditions of the appointment of Mr. Madhu Bhushan Khurana
9. CTC of the shareholders' resolution dated April 26, 2018 approving the terms and conditions of the appointment of Mr. Sidhartha Bhushan Khurana
10. Statement of tax benefits dated August 20, 2018 from the Statutory Auditors included in this Draft Red Herring Prospectus.
11. Consent dated August 20, 2018 of the Statutory Auditors inclusion of their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act 2013, in respect of their examination reports on our Restated Financial Statements and the Statement of Tax Benefits in the form and context in which they appear in this Draft Red Herring Prospectus.
12. Consents of Bankers to our Company, the BRLMs, Syndicate Members, Registrar to the Offer, Banker(s) to the Offer, Refund Banks, chartered engineer, legal counsels, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer as referred to act, in their respective capacities.
13. Consent dated August 24, 2018 from P.K. Nagpal, registered chartered engineer, to include his name, in

this Draft Red Herring Prospectus as an "expert" in terms of the Companies Act 2013

14. Board and shareholders' resolutions, each dated December 14, 2002 pursuant to which our Company acquired M.G. Steel.
15. Share purchase agreement dated March 8, 2018 pursuant to which our shareholding in M.G. Steel was sold to Sanjay Leekha and Charu Leekha.
16. Consent dated August 14, 2018 from F&S to use their report titled "*2 Wheeler Helmet and Select Accessories Market in India*" dated August 2018.
17. Letter of continuing guarantee executed by Mr. Madhu Bhushan Khurana and Mr. Sidhartha Bhushan Khurana
18. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
19. Industry report titled "*2 Wheeler Helmet and Select Accessories Market in India*" dated August 2018 by F&S.
20. Tripartite Agreement dated June 4, 2018 among our Company, NSDL and the Registrar to the Offer.
21. Tripartite Agreement dated May 31, 2018 among our Company, CDSL and the Registrar to the Offer.
22. Due diligence certificate to SEBI from the BRLMs, dated August 24, 2018.
23. SEBI final observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS

Madhu Bhushan Khurana **(Chairman and Managing Director)**	**Sidhartha Bhushan Khurana** **(Managing Director)**
Shanker Dev Choudhury **(Independent Director)**	**Pallavi Saluja** **(Independent Director)**
Pankaj Duhan **(Independent Director)**	

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Manish Mehta
(Chief Financial Officer)

Date: August 24, 2018

Place: Faridabad

DECLARATION

I, Madhu Bhushan Khurana, hereby certify that all statements, disclosures and undertakings made by me in this Draft Red Herring Prospectus, in relation to myself as a Selling Shareholder and the Equity Shares being offered by me in the Offer for Sale are true and correct.

____

Name: Madhu Bhushan Khurana

Date: August 24, 2018

DECLARATION

I, Sidhartha Bhushan Khurana, hereby certify that all statements, disclosures and undertakings made by me in this Draft Red Herring Prospectus, in relation to myself as a Selling Shareholder and the Equity Shares being offered by me in the Offer for Sale are true and correct.

____

Name: Sidhartha Bhushan Khurana

Date: August 24, 2018

DECLARATION

I, Chand Khurana, hereby certify that all statements, disclosures and undertakings made by me in this Draft Red Herring Prospectus, in relation to myself as a Selling Shareholder and the Equity Shares being offered by me in the Offer for Sale are true and correct.

____

Name: Chand Khurana

Date: August 24, 2018

DECLARATION

We, Ajay Leekha, Sanjay Leekha, Charu Leekha, Anil Kumar Chopra, Praveen Chopra, Naintara Mehta, Harsh Deva Shanghari, Suneeta Shanghari, Sunil Kumar Rastogi and Shilpa Arora severally certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about us or in relation to ourselves as Selling Shareholders and the Equity Shares offered by us in the Offer for Sale are true and correct.

For and on behalf of Ajay Leekha, Sanjay Leekha, Charu Leekha, Anil Kumar Chopra, Praveen Chopra, Naintara Mehta, Harsh Deva Shanghari, Suneeta Shanghari, Sunil Kumar Rastogi and Shilpa Arora acting through Manish Mehta, duly appointed power of attorney holder

____

Name: Manish Mehta

Date: August 24, 2018