

# Walker Chandiook & Co LLP

## Independent Auditor's Report

To the Members of IL JIN Electronics (India) Private Limited

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of IL JIN Electronics (India) Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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India

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Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

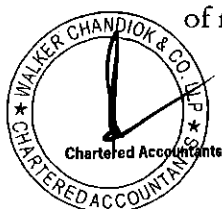
If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

## Responsibilities of Management for the Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting



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from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

## Report on Other Legal and Regulatory Requirements


10. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the financial statements dealt with by this report are in agreement with the books of account
  - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

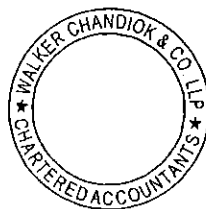


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- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 24 May 2019 as per Annexure B expressed unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed in note 41 to the financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31 March 2019.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Sumit Mahajan**  
Partner  
Membership No.: 504822



**Place:** Gurugram  
**Date:** 24 May 2019

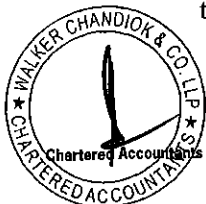
# Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of IL JIN Electronics (India) Private Limited on the financial statements for the year ended 31 March 2019

## Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of property, plant and equipment, capital work-in-progress, investment property, other intangible assets.
  - (b) The fixed assets are comprising of property, plant and equipment, capital work-in-progress, investment property, other intangible assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets comprising of property, plant and equipment, capital work-in-progress, investment property, other intangible assets is reasonable having regard to the size of the company and the nature of its assets.
  - (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other



# Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of IL JIN Electronics (India) Private Limited on the financial statements for the year ended 31 March 2019 (cont'd)

material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment
Department of Trade and Taxes	Interest on Value added tax	25,687,905	FY 2016-17 & FY 2017-18	Various dates between 20 May 2016 to 20 July 2017	To be paid

- (b) The company has no dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments).
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

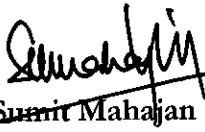


# Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of IL JIN Electronics (India) Private Limited on the financial statements for the year ended 31 March 2019 (cont'd)

- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



Sumit Mahajan

Partner

Membership No.: 504822



Place: Gurugram

Date: 24 May 2019

# Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of IL JIN Electronics (India) Private Limited on the financial statements for the year ended 31 March 2019

## Annexure B

### Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of IL JIN Electronics(India) Private Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.





# Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of IL JIN Electronics (India) Private Limited on the financial statements for the year ended 31 March 2019 (cont'd)

## Meaning of Internal Financial Controls over Financial Reporting

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

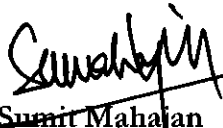
## Inherent Limitations of Internal Financial Controls over Financial Reporting

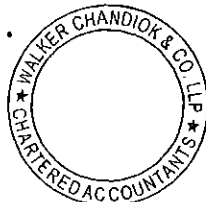
7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk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

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control framework established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI).

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
~~Sumit Mahajan~~  
Partner  
Membership No.: 504822



Place: Gurugram  
Date: 24 May 2019

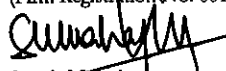
IL JIN Electronics (India) Private Limited  
Balance Sheet as at 31 March 2019  
(All amount in ₹ lakh unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	4,626.44	4,454.90
Capital work-in-progress	5	52.00	52.00
Other Intangible assets	6	21.12	8.33
Intangible assets under development	7	168.38	-
<b>Financial assets</b>			
Loans	8	93.80	84.91
Other financial assets	9	0.92	0.86
Non-current tax assets (net)	10	218.35	300.22
Other non-current assets	11	2.72	1.38
<b>Total non-current assets</b>		<b>5,183.73</b>	<b>4,902.60</b>
<b>Current assets</b>			
Inventories	12	3,603.98	3,759.13
<b>Financial assets</b>			
Trade receivables	13	2,733.34	2,777.75
Cash and cash equivalents	14	2.45	53.77
Loans	15	7.82	5.73
Other financial assets	16	0.87	12.43
Other current assets	17	73.21	93.77
<b>Total current assets</b>		<b>6,421.67</b>	<b>6,702.58</b>
<b>Total assets</b>		<b>11,605.40</b>	<b>11,605.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	18	188.66	188.66
Other equity	19	2,792.34	2,216.65
<b>Total equity</b>		<b>2,981.00</b>	<b>2,405.31</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	1,954.20	2,570.91
Other financial liabilities	21	-	28.22
Provisions	22	75.37	77.81
Deferred tax liabilities (net)	23	231.19	79.83
Other non-current liabilities	24	-	0.17
<b>Total non-current liabilities</b>		<b>2,260.76</b>	<b>2,756.94</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	25	193.06	400.15
Trade payables	26	-	788.33
(a) Total outstanding dues of micro enterprises and small enterprises		-	788.33
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,827.04	4,200.06
Other financial liabilities	27	851.93	515.96
Other current liabilities	28	434.79	429.25
Provisions	29	2.91	3.09
Current tax liabilities (net)	30	53.91	106.09
<b>Total current liabilities</b>		<b>6,363.64</b>	<b>6,442.93</b>
<b>Total liabilities</b>		<b>8,624.40</b>	<b>9,199.87</b>
<b>Total equity and liabilities</b>		<b>11,605.40</b>	<b>11,605.18</b>

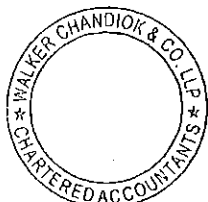
Significant accounting policies 3  
The accompanying notes form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.


For Walker Chandiook & Co LLP  
Chartered Accountants  
(Firm Registration No. 001076N/N500013)

  
Sumit Mahajan  
Partner  
(Membership No. 504822)

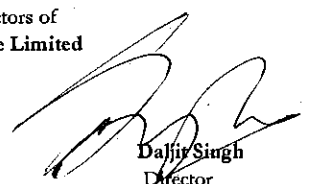
Place: Gurugram  
Date: 24 May 2019



For and on behalf of Board of Directors of  
IL JIN Electronics (India) Private Limited

  
Jasbir Singh  
Director  
(DIN: 00259632)

Place: Gurugram  
Date: 24 May 2019

  
Daljit Singh  
Director  
(DIN No.: 02023964)

Place: Gurugram  
Date: 24 May 2019

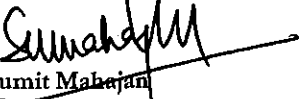
**IL JIN Electronics (India) Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2019**  
**(All amount in ₹ lakh unless otherwise stated)**

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Income</b>			
Revenue from operations	31	33,461.89	34,626.97
Other income	32	45.27	185.52
<b>Total income</b>		<b>33,507.16</b>	<b>34,812.49</b>
<b>Expenses</b>			
Cost of materials consumed	33	29,520.47	30,084.11
Excise duty		-	1,229.34
Changes in inventories of finished goods and work-in-progress	34	(60.20)	85.94
Employee benefits expense	35	783.84	718.29
Finance costs	36	391.70	508.60
Depreciation and amortisation expense	37	347.07	306.61
Other expenses	38	1,605.77	1,623.68
<b>Total expenses</b>		<b>32,588.65</b>	<b>34,556.57</b>
<b>Profit before tax</b>		<b>918.51</b>	<b>255.92</b>
<b>Tax expense</b>			
Current tax		190.60	52.18
Deferred tax		151.65	35.19
<b>Net profit for the year</b>		<b>576.26</b>	<b>168.55</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement (losses)/gains on defined benefit obligations		(0.86)	3.25
Income tax relating to items that will not be reclassified to profit or loss		0.29	(1.08)
<b>Other comprehensive (loss)/income for the year</b>		<b>(0.57)</b>	<b>2.17</b>
<b>Total comprehensive income for the year</b>		<b>575.69</b>	<b>170.72</b>
<b>Earning per equity share</b>			
(Nominal value of equity share ₹ 10 each)	39		
Basic (₹)		30.54	9.00
Diluted (₹)		30.54	9.00

The accompanying notes form an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.


For Walker Chandiook & Co LLP  
Chartered Accountants  
(Firm Registration No. 001076N/N500013)

  
Sumit Mahajan  
Partner  
(Membership No. 504822)

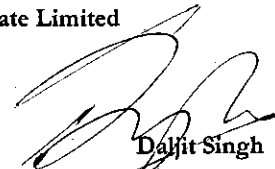


Place: Gurugram  
Date: 24 May 2019

For and on behalf of Board of Directors of  
IL JIN Electronics (India) Private Limited

  
Jasbir Singh  
Director  
(DIN: 00259632)

Place: Gurugram  
Date: 24 May 2019

  
Daljit Singh  
Director  
(DIN No.: 02023964)

Place: Gurugram  
Date: 24 May 2019

IL JIN Electronics (India) Private Limited  
Cash flow statement for the year ended 31 March 2019  
(All amount in ₹ lakh unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>A. Cash flows from operating activities</b>		
Profit before tax	918.51	255.92
Adjustment for:		
Depreciation and amortisation	347.07	306.61
Impairment of Capital Work in Progress	-	23.17
Interest income	(6.55)	(7.38)
Gain on sale of property, plant and equipment (net)	(1.08)	(6.22)
Mark to market loss on forward contracts	11.80	-
Unrealised foreign exchange gain	(60.70)	(1.73)
Amounts written off	-	30.76
Finance costs	391.70	508.60
Operating profit before working capital changes	1,600.75	1,109.73
Movements in working capital:		
Trade receivables	44.73	203.95
Inventories	155.15	(1,098.99)
Financial and other assets	22.02	854.74
Trade payables	(112.77)	290.81
Provisions	(3.48)	2.04
Financial and other liabilities	40.18	(666.13)
Cash generated from operations	1,746.58	696.15
Income tax paid (net)	(160.90)	(609.98)
Net cash generated from operating activities	A 1,585.68	86.17
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment, capital work-in-progress, intangibles, including capital advances	(867.16)	(693.99)
Proceeds from sale of assets	(9.90)	11.54
Interest received	4.26	2.01
Net cash used in from investing activities	B (872.80)	(680.44)
<b>C Cash flows from financing activities:</b>		
Proceeds from issuance of equity share capital, net of issue expenses	-	187.78
Movement in short-term borrowings (net)	(207.09)	(1,555.07)
Proceeds from long term borrowings	51.90	2,558.86
Repayment of long term borrowings	(221.09)	(49.07)
Finance costs paid	(387.92)	-
Share issue expenses	-	(498.54)
Net cash generated (used in)/from financing activities	C (764.20)	643.96
D Net (decrease)/increase in cash and cash equivalent (A+B+C)	(51.32)	49.69
E Cash and cash equivalent at the beginning of the year	53.77	4.08
Cash and cash equivalent at the end of the year (D+E) {refer note 14}	2.45	53.77

Notes to Cash Flow Statement:

a. Cash and Cash Equivalents include:

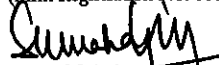
	As at 31 March 2019	As at 31 March 2018
Balances with banks in current accounts	1.95	53.45
Cash in hand	0.50	0.32
	2.45	53.77

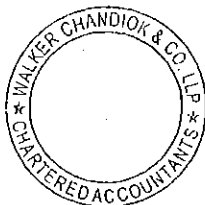
b. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard - 7 on 'Statement of Cash Flow' as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

The accompanying notes form an integral part of the financial statements.

This is the Cash Flow Statement referred to in our report of even date.

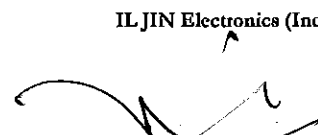
For Walker Chandiook & Co LLP  
Chartered Accountants  
(Firm Registration No. 001076N/N500013)

  
Sumit Mahajan  
Partner  
(Membership No. 504822)

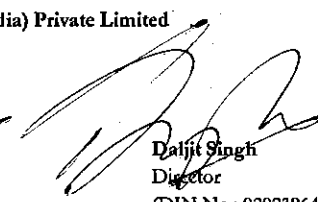


Place: Gurugram  
Date: 24 May 2019

For and on behalf of Board of Directors of  
IL JIN Electronics (India) Private Limited

  
Jasbir Singh  
Director  
(DIN: 00259632)

Place: Gurugram  
Date: 24 May 2019

  
Daljit Singh  
Director  
(DIN No.: 02023964)

Place: Gurugram  
Date: 24 May 2019

IL JIN Electronics (India) Private Limited  
Statement of changes in equity for the year ended 31 March 2019  
(All amount in ₹ lakh unless otherwise stated)

A Equity share capital

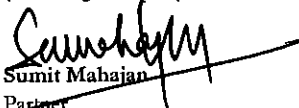
	Amount
Balance as at 1 April 2017	179.80
Changes in equity share capital during the year	8.86
Balance as at 31 March 2018	188.66
Changes in equity share capital during the year	-
Balance as at 31 March 2019	188.66

B Other equity

	Reserves and surplus		Total
	Securities premium	Retained earnings	
Balance as at 1 April 2017	0.81	1,866.20	1,867.01
Profit for the year	-	168.55	168.55
Remeasurement gain of defined benefit obligations (net of tax)	-	2.17	2.17
Transaction with owners in their capacity as owners:			
Additions made during the year on allotment of equity shares	178.92	-	178.92
Balance as at 31 March 2018	179.73	2,036.92	2,216.65
Profit for the year	-	576.26	576.26
Remeasurement loss of defined benefit obligations (net of tax)	-	(0.57)	(0.57)
Transaction with owners in their capacity as owners:			
Changes made during the year	-	-	-
Balance as at 31 March 2019	179.73	2,612.61	2,792.34

This is the Statement of Changes in Equity referred to in our report of even date.


For Walker Chandiook & Co LLP  
Chartered Accountants  
(Firm Registration No. 001076N/N500013)

  
Sumit Mahajan  
Partner  
(Membership No. 504822)

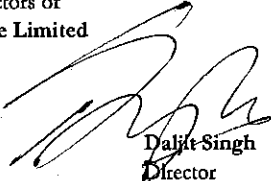
Place: Gurugram  
Date: 24 May 2019



For and on behalf of Board of Directors of  
IL JIN Electronics (India) Private Limited

  
Jasbir Singh  
Director  
(DIN: 00259632)

Place: Gurugram  
Date: 24 May 2019

  
Daljit Singh  
Director  
(DIN No.: 02023964)

Place: Gurugram  
Date: 24 May 2019

**1. Corporate information and statement of compliance with Indian Accounting Standards (Ind AS)**

IL JIN Electronics (India) Private Limited (the "Company") a private limited company domiciled in India and having its registered office at F. No.5, 109/2A Buddha Apartments, C C Colony, New Delhi - 110007, was incorporated on 11 September 2001, under the Companies Act 1956, is engaged in the business of manufacturing printed circuit boards and electronic components.

These standalone financial statements ("financial statements") of the Company have been prepared to comply in all material respects with accounting principles generally accepted in India, including Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 (the "Act"), as amended and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 24 May 2019. The revisions to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

**2. Basis of preparation and significant accounting policies**

**a. Basis of preparation**

The financial statements have been prepared on accrual and going concern basis under historical cost convention except for certain financial instruments and plan assets, which are measured at fair values. The accounting policies are applied consistently to all the periods presented in the financial statements.

The significant accounting policies and measurement bases have been summarised below.

**Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and as per terms of agreements wherever applicable. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**b. Revenue recognition**

**Sale of goods**

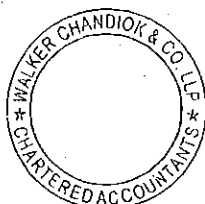
Revenue arises mainly from the sale of goods. To determine whether to recognise revenue, the Company follows a 5-step process:

- (i) Identifying the contract with a customer
- (ii) Identifying the performance obligations
- (iii) Determining the transaction price
- (iv) Allocating the transaction price to the performance obligations
- (v) Recognising revenue when/as performance obligation(s) are satisfied.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.



**Revenue from job charges**

Revenue in respect of job charges is recognised as per the terms of the contract with the customers.

**Interest income**

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

**Insurance claims**

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

**c. Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.
- Stores and spares, consumables and packing materials cost includes direct expenses and is determined on the basis of first in first out method.

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

**d. Income taxes**

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

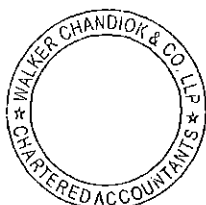
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

**e. Cash and cash equivalents**

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

**f. Foreign currency transactions**

The financial statements are presented in Indian Rupee ('INR' or 'Rs.') which is also the functional currency of the Company.



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 profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses, as the case maybe.

**g. Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

**Non-derivative financial assets**

*Subsequent measurement*

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

*Impairment of financial assets*

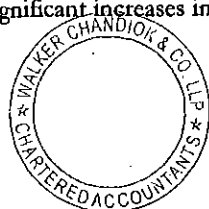
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables:** In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**Other financial assets:** In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset





## IL JIN Electronics (India) Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

#### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### **Non-derivative financial liabilities**

##### *Subsequent measurement*

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

##### *De-recognition of financial liabilities*

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Derivative financial instruments**

##### *Initial and subsequent measurement*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **h. Fair value of financial instruments**

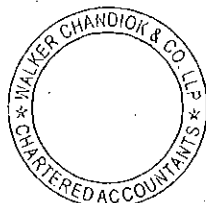
In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **i. Property, plant and equipment ('PPE')**

##### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.



*Subsequent measurement (depreciation and useful lives)*

Depreciation on fixed assets is provided on straight line method based on life prescribed as per Schedule II of the Companies Act, 2013 except for property, plant and equipment costing less than Rs.5,000 each in value, which are depreciated in full in the year of purchase and in case of leasehold land which is depreciated over the period of lease.

*De-recognition*

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

**j. Intangible assets**

*Recognition, initial measurement and subsequent measurement*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation 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.

**Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

*Amortisation methods and periods*

The Company amortises intangible assets with a finite useful life using the straight-line method, intangible assets are amortised over their estimated economic life of five years.

**k. Capital work-in progress**

Cost of material consumed and erection charges thereon along with other direct cost incurred by the Company for the projects are shown as capital work-in-progress until capitalisation.

**l. Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.



**m. Leases**

*As a lessee*

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease, unless the increase in rent is to compensate the lessor for the effects of inflation.

**n. Borrowing costs**

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption.

**o. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

**p. Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.



#### Defined benefit plans

##### *Gratuity*

The Company operates one defined benefit plan for its employees, viz. gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gain and loss for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income.

##### **Other long term benefits**

Accumulated leave expected to be carried forward beyond twelve months, is treated as long term employee benefit. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit.

Liability under continuity linked key resource and deferred salary schemes is provided for on actuarial valuation basis, which is done as per the projected unit credit method at the end of each financial period.

#### Defined contribution plans

##### **Provident Fund**

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

##### **Short-term employee benefits**

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

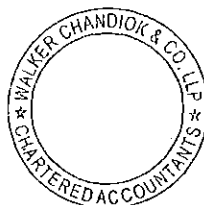
#### r. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment

### 3. Recent accounting pronouncement

#### **Ind AS 116 'Leases'**

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.



**Amendment to Ind AS 12, Income taxes**

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

**Amendment to Ind AS 19, Employee benefits**

The amendment to Ind AS 19 requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

**Amendment to Ind AS 23, Borrowing costs**

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

**Significant accounting judgments, estimates and assumptions**

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

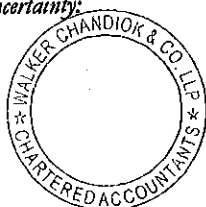
The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

*Significant judgments:*

- (i) **Evaluation of indicators for impairment of non-financial assets**  
The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- (ii) **Recognition of deferred tax assets**  
The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.
- (iii) **Contingent liabilities**  
The Company is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

*Sources of estimation uncertainty:*



**IL JIN Electronics (India) Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

**(i) Provisions**

At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from management's estimates.

**(ii) Fair valuation of financial instruments**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**(iii) Recoverability of advances/receivables**

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.



**IL JIN Electronics (India) Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

(All amount in ₹ lakh unless otherwise stated)

**4. Property, plant and equipment**

Description	Leasehold land	Factory building	Residential building	Plant and machinery	Air conditioners	Computers	Generators	Furniture & fixtures	Office & other equipments	Vehicles	Temporary structure	Total
<b>Gross Block</b>												
As at 1 April 2017	527.61	1,631.90	393.83	2,693.30	100.73	56.70	34.48	30.22	50.02	166.63	1.98	5,687.40
Additions	-	30.44	-	504.83	2.03	5.34	-	2.16	4.97	74.40	9.92	634.09
Disposals	-	-	-	(1.69)	-	(3.18)	-	-	-	(37.60)	-	(42.47)
<b>As at 31 March 2018</b>	<b>527.61</b>	<b>1,662.34</b>	<b>393.83</b>	<b>3,196.44</b>	<b>102.76</b>	<b>58.86</b>	<b>34.48</b>	<b>32.38</b>	<b>54.99</b>	<b>203.43</b>	<b>11.90</b>	<b>6,279.02</b>
Additions	-	18.82	-	410.43	0.61	7.63	6.95	4.43	4.69	55.68	10.09	519.31
Disposals	-	-	-	(22.51)	(0.02)	-	-	-	-	(15.38)	-	(37.91)
<b>As at 31 March 2019</b>	<b>527.61</b>	<b>1,681.16</b>	<b>393.83</b>	<b>3,584.36</b>	<b>103.34</b>	<b>66.49</b>	<b>41.43</b>	<b>36.81</b>	<b>59.68</b>	<b>243.73</b>	<b>21.99</b>	<b>6,760.42</b>
<b>Accumulated depreciation</b>												
As at 1 April 2017	39.62	271.59	32.45	972.64	28.95	46.95	12.91	19.79	43.77	86.77	0.88	1,556.32
Charge for the year	5.86	51.89	6.22	208.34	6.83	5.51	2.07	1.82	1.57	14.14	0.70	304.95
Adjustment for disposals	-	-	-	(0.09)	-	(3.03)	-	-	-	(34.03)	-	(37.15)
<b>As at 31 March 2018</b>	<b>45.48</b>	<b>323.48</b>	<b>38.67</b>	<b>1,180.89</b>	<b>35.78</b>	<b>49.43</b>	<b>14.98</b>	<b>21.61</b>	<b>45.34</b>	<b>66.88</b>	<b>1.58</b>	<b>1,824.12</b>
Charge for the year	5.86	52.56	6.22	229.43	6.85	5.03	2.38	3.21	3.58	22.02	5.60	342.75
Adjustment for disposals	-	-	-	(19.21)	-	-	-	-	-	(13.68)	-	(32.90)
<b>As at 31 March 2019</b>	<b>51.34</b>	<b>376.04</b>	<b>44.89</b>	<b>1,391.11</b>	<b>42.63</b>	<b>54.46</b>	<b>17.36</b>	<b>24.82</b>	<b>48.92</b>	<b>75.22</b>	<b>7.18</b>	<b>2,133.98</b>
<b>Net block as at 31 March 2018</b>	<b>482.13</b>	<b>1,338.86</b>	<b>355.16</b>	<b>2,015.55</b>	<b>66.98</b>	<b>9.43</b>	<b>19.50</b>	<b>10.77</b>	<b>9.65</b>	<b>136.55</b>	<b>10.32</b>	<b>4,454.90</b>
<b>Net block as at 31 March 2019</b>	<b>476.27</b>	<b>1,305.12</b>	<b>348.94</b>	<b>2,193.25</b>	<b>60.71</b>	<b>12.03</b>	<b>24.07</b>	<b>11.99</b>	<b>10.76</b>	<b>168.51</b>	<b>14.80</b>	<b>4,626.44</b>

**Notes:**

**(i) Contractual obligations**

Refer note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**(ii) Finance leases**

The Company has certain lands on finance lease. Refer note 45 for contractual commitments for lease payments in respect of leasehold land.



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IL JIN Electronics (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amount in ₹ lakh unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>5. Capital work-in-progress</b>		
Capital work-in-progress	52.00	52.00
	<b>52.00</b>	<b>52.00</b>

**Notes:**

(i) Movement in capital work in progress:

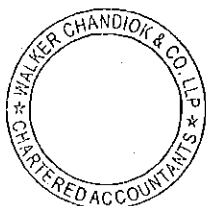
Particulars	Amount
<b>Capital work-in-progress as at 1 April 2017</b>	-
Add: additions during the year	52.00
Less: capitalisation during the year	-
<b>Capital work-in-progress as at 31 March 2018</b>	<b>52.00</b>
Add: additions during the year	-
Less: capitalisation during the year	-
<b>Capital work-in-progress as at 31 March 2019</b>	<b>52.00</b>

**6. Intangible assets**

Description	Softwares	Total intangible assets
<b>Gross Block</b>		
As at 1 April 2017	25.78	25.78
Additions	4.88	4.88
Disposals	-	-
<b>Balance as at 31 March 2018</b>	<b>30.66</b>	<b>30.66</b>
Additions	21.99	21.99
Disposals	(4.88)	(4.88)
<b>Balance as at 31 March 2019</b>	<b>47.77</b>	<b>47.77</b>
<b>Accumulated amortisation</b>		
As at 1 April 2017	20.67	20.67
Charge for the year	1.66	1.66
Disposals	-	-
<b>Balance as at 31 March 2018</b>	<b>22.33</b>	<b>22.33</b>
Charge for the year	4.32	4.32
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>26.65</b>	<b>26.65</b>
<b>Net block as at 31 March 2018</b>	<b>8.33</b>	<b>8.33</b>
<b>Net block as at 31 March 2019</b>	<b>21.12</b>	<b>21.12</b>

**Notes:**

(i) Amortisation for the year has been included in line item 'Depreciation and amortisation expense' in statement of profit and loss.





**7. Intangible assets under development**

Intangible assets under development

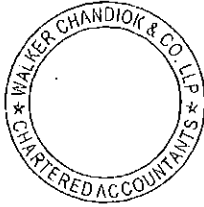
<u>As at</u> <u>31 March 2019</u>	<u>As at</u> <u>31 March 2018</u>
168.38	-
<u>168.38</u>	<u>-</u>

Notes:

(i) Movement in Intangible assets under development:

Particulars	Amount
Intangible assets under development as at 1 April 2018	-
Add: additions during the year	168.38
Less: capitalisation during the year	-
Intangible assets under development as at 31 March 2019	168.38

(ii) During the year ended 31 March 2019, expenses comprising of raw material consumption, personnel costs, power and fuel charges and other related expenses have been capitalized under intangible assets under development ₹ 161.02 lakh, being expenses eligible for capitalization.



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	As at 31 March 2019	As at 31 March 2018
<b>8 Loans (non-current)*</b>		
Unsecured, considered good		
Security deposits	93.80	84.91
	<u>93.80</u>	<u>84.91</u>
<b>9 Other financial assets (non-current)</b>		
Bank deposits with more than 12 months maturity	0.92	0.86
	<u>0.92</u>	<u>0.86</u>
<b>10 Non-current tax assets (net)</b>		
Advance income tax (net of provisions)	218.35	300.22
	<u>218.35</u>	<u>300.22</u>
<b>11 Other non-current assets</b>		
Capital advances	1.00	1.00
Prepaid expenses	1.72	0.38
	<u>2.72</u>	<u>1.38</u>
<b>12 Inventories</b>		
(Valued at lower of cost and net realisable value, unless otherwise stated)		
Raw materials (refer note (i) below)	3,323.56	3,538.91
Work-in-progress	222.97	162.30
Finished goods	57.45	57.92
	<u>3,603.98</u>	<u>3,759.13</u>
<b>13 Trade receivables</b>		
Related parties (refer note 42)		
Unsecured, considered good	623.57	-
Others		
Unsecured, considered good	2,109.77	2,777.75
	<u>2,733.34</u>	<u>2,777.75</u>

**Notes:**

- (i) Raw materials include goods in transit amounting to ₹ 43.08 lakh (31 March 2018: ₹ Nil)

**Notes:**

- (i) The carrying values of trade receivables are considered to be a reasonable approximation of fair value.  
(ii) Refer note 48 - Financial risk management for assessment of expected credit losses.



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**IL JIN Electronics (India) Private Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amount in ₹ lakh unless otherwise stated)

**14 Cash and cash equivalents**

Balances with banks in current accounts	1.95	53.45
Cash in hand	0.50	0.32
	<u>2.45</u>	<u>53.77</u>

The carrying values are considered to be a reasonable approximation of fair values.

**15 Loans (current)\*****Unsecured, considered good**

Security deposits	5.57	5.73
Loans and advances to employees	2.25	-
	<u>7.82</u>	<u>5.73</u>

\* The Company does not have any loans which are either credit impaired or where there is significant increase in credit risk.

The carrying values are considered to be a reasonable approximation of fair values.

**16 Other financial assets (current)**

Other recoverables	0.87	12.43
	<u>0.87</u>	<u>12.43</u>

The carrying values are considered to be a reasonable approximation of fair values.

**17 Other current assets**

Advance to suppliers	11.49	45.77
Balances with statutory authorities	52.07	38.14
Prepaid expenses	9.65	9.86
	<u>73.21</u>	<u>93.77</u>

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**IL JIN Electronics (India) Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**  
**(All amount in ₹ lakh unless otherwise stated)**

	As at 31 March 2019	As at 31 March 2018
<b>18 Equity share capital</b>		
<b>Authorised capital</b>		
40,00,000 (31 March 2018 : 4,000,000) Equity shares of ₹ 10 each	400.00	400.00
	<u>400.00</u>	<u>400.00</u>
<b>Issued, subscribed capital and fully paid up</b>		
1,886,590 (31 March 2018: 1,886,590) Equity shares of ₹ 10 each	188.66	188.66
	<u>188.66</u>	<u>188.66</u>

**i) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**ii) Reconciliation of equity shares outstanding:**

	31 March 2019		31 March 2018	
	No. of shares	(₹ lakh)	No. of shares	(₹ lakh)
<b>Equity share capital of ₹ 10 each fully paid up</b>				
Balance at the beginning of the year	1,886,590	188.66	1,798,017	179.80
Add: Right issue**	-	-	88,573	8.86
<b>Balance at the end of the year</b>	<u>1,886,590</u>	<u>188.66</u>	<u>1,886,590</u>	<u>188.66</u>

\* During the year ended 31 March 2018, the Company issued its shareholders rights issue of 88,573 ordinary shares having nominal value ₹ 10 each at an issue price of ₹ 212 per share.

**iii) Shareholders holding more than 5% of shares of the Company as at balance sheet date**

	As on 31 March 2019		As on 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
Mr. Hyun Chul Sim	565,959	30.00%	565,959	30.00%
Amber Enterprises India Limited	1,320,613	70.00%	1,320,613	70.00%

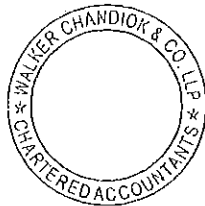
**iv) Shares held by holding company:**

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

	As on 31 March 2019		As on 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
Amber Enterprises India Limited	1,320,613	70.00%	1,320,613	70.00%

**v) Details of shares allotted as fully paid up by way of bonus issues during current year and last 5 years**

Year ended	Face value	Number of shares
31 March 2019	-	-
31 March 2018	-	-
31 March 2017	10.00	770,579
31 March 2016	-	-
31 March 2015	-	-
31 March 2014	-	-



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	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>19 Other equity</b>		
<b>Securities premium</b>		
Balance at the beginning of the year	179.73	0.81
Add: Additions made during the year on allotment of equity shares	-	178.92
Balance at the end of the year	<u>179.73</u>	<u>179.73</u>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	2,036.92	1,866.20
Add : Net profit for the year	576.26	168.55
Add : Other comprehensive income		
- Re-measurement (losses)/gains on defined benefit obligations (net of tax)	(0.57)	2.17
Balance at the end of the year	<u>2,612.61</u>	<u>2,036.92</u>
	<u><b>2,792.34</b></u>	<u><b>2,216.65</b></u>

**Nature and purpose of other reserve**

**Securities premium**

Securities premium represents premium received on issue of shares. The securities premium is utilised in accordance with the provisions of the Companies Act, 2013.

	As at 31 March 2019	As at 31 March 2018
<b>20 Long-term borrowings</b>		
<b>Secured</b>		
<b>Term loans</b>		
-from banks	1,760.92	2,352.94
-from others	2.39	38.54
<b>Vehicle loans</b>		
-from banks	59.25	54.48
<b>Finance lease obligations</b>	<u>131.62</u>	<u>124.95</u>
	<u><b>1,954.20</b></u>	<u><b>2,570.91</b></u>

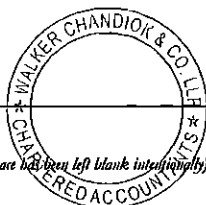
**(i) Repayment terms and security disclosure for long-term borrowings (including current maturities) outstanding as at 31 March 2019 and 31 March 2018**

- a) Term loan from IDFC Bank amounting to ₹ 2,349.16 lakh (31 March 2018: ₹ 2,500 lakh) carrying interest rate @ 10.50% p.a. (31 March 2018: @ 9.50% p.a) is repayable in 48 monthly installments with last instalment payable on 31 March 2023. Term loan from IDFC bank is secured by way of exclusive charge on all current and fixed assets of the Company (including land and building of plant situated at 27 & 28, Ecotech, Greater Noida). The term loans is also secured by corporate guarantee of Amber Enterprises India Limited (Holding Company).
- b) The Vehicle loan from bank is secured by way of hypothecation of car. Loans are repayable in monthly installments as follows:  
 - Car Loan from HDFC Bank amounting to ₹ Nil (31 March 2018: ₹ 3.08 lakh) carrying interest @ 10.50% p.a on reducing basis is repayable in 7 monthly installments with last instalment payable on 05 October, 2018.  
 - Car Loan from HDFC Bank amounting to ₹ 11.55 lakh (31 March 2018: ₹ 27.59 lakh) carrying interest @ 9.25% p.a on reducing basis is repayable in 8 monthly installments with last instalment payable on 05 November, 2019.  
 - Car Loan from HDFC Bank amounting to ₹ 12.37 lakh (31 March 2018: ₹ 16.96 lakh) carrying interest @ 8.35% p.a on reducing basis is repayable in 26 monthly installments with last instalment payable on 05 May, 2021.  
 - Car Loan from HDFC Bank amounting to ₹ 12.37 lakh (31 March 2018: ₹ 16.96 lakh) carrying interest @ 8.35% p.a on reducing basis is repayable in 26 monthly installments with last instalment payable on 05 May, 2021.  
 - Car Loan from HDFC Bank amounting to ₹ 18.19 lakh (31 March 2018: ₹ 24.94 lakh) carrying interest @ 8.35% p.a on reducing basis is repayable in 26 monthly installments with last instalment payable on 05 May, 2021.  
 - Car Loan from HDFC Bank amounting to ₹ 30.01 lakh (31 March 2018: ₹ Nil) carrying interest @ 8.75% p.a on reducing basis is repayable in 52 monthly installments with last instalment payable on 11 July, 2023.  
 - Truck Loan from Indusind Bank amounting to ₹ 7.45 lakh (31 March 2018: ₹ Nil) carrying interest @ 8.75% p.a on reducing basis is repayable in 38 monthly installments with last instalment payable on 12 May, 2022.  
 - Truck Loan from Indusind Bank amounting to ₹ 7.45 lakh (31 March 2018: ₹ Nil) carrying interest @ 8.75% p.a on reducing basis is repayable in 38 monthly installments with last instalment payable on 12 May, 2022.
- c) The Term loan from Intec Capital Limited amounting to ₹ 41.46 lakh (31 March 2018: ₹ 72.53 lakh) is secured by first charge, by way of exclusive hypothecation lien mark on the performa invoices in favour of Intec Capital Ltd. covering the entire value of the assets funded and personal guarantee of directors. Also, collateral money of 23% of ₹ 129.87 lakh (31 March 2018: 23% of 129.87 lakh) is given as security deposit. Repayable in 13 monthly installments with last instalment payable on 05 April, 2020.
- d) Finance lease obligations amounting to ₹ 139.60 lakh (31 March 2018: ₹ 132.93 lakh) are secured by the hypothecation of assets financed. Refer note 45 for repayment schedule for these obligations.

(ii) Refer note 47 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 48 - Financial risk management for assessment of expected credit losses.

**(iii) Reconciliation of liabilities arising from financing activities**

	Long-term Borrowings (including current maturities)	Short-term Borrowings	Total
As on 01 April 2017	274.71	1,955.22	2,229.93
Cash flows:			
Proceeds from borrowings	2,558.86	(1,555.07)	1,003.79
Repayment of borrowings	(49.07)	-	(49.07)
Non-cash:			
Impact of borrowings measured at amortised cost	10.48	-	10.48
As on 31 March 2018	2,794.98	400.15	3,195.13
Cash flows:			
Proceeds from borrowings	51.90	-	51.90
Repayment of borrowings	(221.09)	(207.09)	(428.18)
Non-cash:			
Impact of borrowings measured at amortised cost	3.83	-	3.83
As on 31 March 2019	<u>2,629.62</u>	<u>193.06</u>	<u>2,822.68</u>



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**IL JIN Electronics (India) Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**  
**(All amount in ₹ lakh unless otherwise stated)**

	As at 31 March 2019	As at 31 March 2018
<b>21 Other financial liabilities</b>		
<b>Non-current</b>		
Security deposits	-	28.22
	<u>-</u>	<u>28.22</u>
Refer note 47 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 48 - Financial risk management for assessment of expected credit losses.		
<b>22 Long-term provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity	65.09	53.55
Leave encashment	10.28	24.26
	<u>75.37</u>	<u>77.81</u>
For disclosures related to provision for employee benefits, refer note 46 - Employee benefit obligations.		
<b>23 Deferred tax liabilities (net)</b>		
<b>Deferred tax liability arising on account of:</b>		
Timing difference on depreciation and amortisation of property, plant and equipment and intangibles	484.41	395.25
<b>Gross deferred tax liability</b>	<u>484.41</u>	<u>395.25</u>
<b>Deferred tax asset arising on account of:</b>		
Financial assets and financial liabilities at amortised cost	13.97	11.12
Employees benefit expenses including bonus	34.81	33.96
Tax impact on disallowance under Income tax, allowable as deduction in future years	67.64	66.99
Unabsorbed depreciation	-	151.17
	<u>116.42</u>	<u>263.24</u>
<b>Minimum alternate tax credit</b>	<u>136.80</u>	<u>52.18</u>
	<u>231.19</u>	<u>79.83</u>

**Notes:**

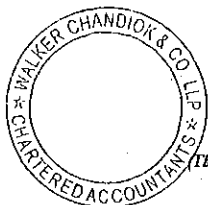
**(i) Movement in deferred tax liabilities (net) for the year ended 31 March 2019:**

Particulars	31 March 2018	Recognised in other comprehensive income	Recognised statement of profit and loss	31 March 2019
<b>Deferred tax liability arising on account of:</b>				
Property, plant and equipment and intangibles	395.25	-	89.16	484.41
<b>Deferred tax asset arising on account of:</b>				
Financial assets and financial liabilities at amortised cost	(11.12)	-	(2.85)	(13.97)
Employees benefit expenses including bonus	(33.96)	(0.29)	(0.50)	(34.81)
Tax impact on disallowance under Income tax, allowable as deduction in future years	(66.99)	-	(0.65)	(67.64)
Unabsorbed depreciation	(151.17)	-	151.17	-
<b>Minimum alternate tax credit</b>	(52.18)	-	(84.62)	(136.80)
<b>Net deferred tax liabilities</b>	<u>79.83</u>	<u>(0.29)</u>	<u>151.65</u>	<u>231.19</u>

**(ii) Movement in deferred tax liabilities (net) for the year ended 31 March 2018:**

Particulars	1 April 2017	Recognised in other comprehensive income	Recognised statement of profit and loss	31 March 2018
<b>Deferred tax liability arising on account of:</b>				
Property, plant and equipment and intangibles	395.62	-	(0.37)	395.25
<b>Deferred tax asset arising on account of:</b>				
Financial assets and financial liabilities at amortised cost	(8.12)	-	(3.00)	(11.12)
Employees benefit expenses including bonus	(23.22)	1.08	(11.82)	(33.96)
Tax impact on disallowance under Income tax, allowable as deduction in future years	(320.72)	-	253.73	(66.99)
Unabsorbed depreciation	-	-	(151.17)	(151.17)
<b>Minimum alternate tax credit</b>	-	-	(52.18)	(52.18)
<b>Net deferred tax liabilities</b>	<u>43.56</u>	<u>1.08</u>	<u>35.19</u>	<u>79.83</u>

<b>24 Other non-current liabilities</b>		
Deferred revenue	-	0.17
	<u>-</u>	<u>0.17</u>
<b>25 Short-term borrowings</b>		
<b>Secured</b>		
Working capital loans	-	299.03
Cash credits	193.06	44.11
<b>Unsecured</b>		
From director (refer note 42)	-	57.01
	<u>193.06</u>	<u>400.15</u>



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	As at 31 March 2019	As at 31 March 2018
<b>a. The secured borrowings from banks referred above are from:</b>		
<b>Working capital loan:</b>		
i. IDFC Bank - buyers credit for max 180 Days @ 0.75% p.a. Plus applicable Taxes	-	299.03
<b>Cash credit facility:</b>		
ii. IDFC Bank - carrying interest @ 12 months MCLR 10.05% p.a.	193.06	44.11
<b>b. Nature of security:</b>		
<b>i) Details of security of short term borrowings for the year ended 31 March 2019</b>		
The cash credit facility and working capital loan from IDFC bank is secured by way of exclusive charge on all current and fixed assets of the Company (including land and building of plant situated at 27 & 28, Ecotech, Greater Noida) and is also secured by corporate guarantee of Amber Enterprises India Limited (Holding Company).		
<b>ii) Details of security of short term borrowings for the year ended 31 March 2018</b>		
The cash credit facility and working capital loan from IDFC bank is secured by way of exclusive charge on all current and fixed assets of the Company (including land and building of plant situated at 27 & 28, Ecotech, Greater Noida) and is also secured by corporate guarantee of Amber Enterprises India Limited (Holding Company).		
<b>c. Repayment details:</b>		
The short-term borrowings are repayable on demand.		
<b>d. The unsecured loans are repayable on demand and carry Nil rate of interest.</b>		

**26 Trade payables**

Dues of micro enterprises and small enterprises [refer note (a) below]	-	788.33
Dues of creditors other than micro enterprises and small enterprises	4,827.04	4,200.06
	<u>4,827.04</u>	<u>4,988.39</u>

**(a) Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006**

On the basis of factors including but not limited to MSMED certificate obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), certificate from Chartered Accountant regarding gross investment in Plant & Machinery as on 31 March 19, latest Audited Balance Sheet and based on the information available with the company, the following are the details:

	As at 31 March 2019	As at 31 March 2018
Principal amount remaining unpaid	Nil	788.33
Interest accrued and due thereon remaining unpaid	Nil	Nil
Interest paid by the company in terms of section 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act, 2006.	Nil	Nil
Interest accrued and remaining unpaid as at the end of the year	Nil	Nil
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.	Nil	Nil

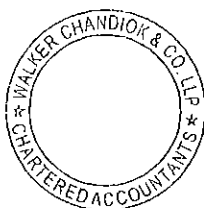
(i) The carrying values are considered to be reasonable approximation of their fair values.

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**IL JIN Electronics (India) Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**  
**(All amount in ₹ lakh unless otherwise stated)**

	<u>As at</u> <u>31 March 2019</u>	<u>As at</u> <u>31 March 2018</u>
<b>27 Other financial liabilities</b>		
Current maturities of long-term borrowings:		
Term loans		
-from banks	588.24	147.06
-from others	39.07	33.99
Vehicle loans		
-from banks	40.13	35.04
Finance lease obligation	7.98	7.98
Creditors for capital expenditure	45.97	224.33
Derivative liability (net)	11.80	-
Interest accrued	1.00	0.95
Employee related payables	86.21	66.61
Security deposits	31.53	-
	<u>851.93</u>	<u>515.96</u>
The carrying values are considered to be reasonable approximation of their fair values.		
<b>28 Other current liabilities</b>		
Payable to statutory authorities	434.79	428.91
Deferred revenue	-	0.34
	<u>434.79</u>	<u>429.25</u>
<b>29 Short-term provisions</b>		
Provision for employee benefits [refer note (i)]		
Gratuity	1.80	1.56
Leave encashment	1.11	1.53
	<u>2.91</u>	<u>3.09</u>
<b>Notes:</b>		
(i) For disclosures related to provision for employee benefits, refer note 46 - Employee benefit obligations.		
<b>30 Current tax liabilities (net)</b>		
Provision for income tax [net]	53.91	106.09
	<u>53.91</u>	<u>106.09</u>



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IL JIN Electronics (India) Private Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
 (All amount in ₹ lakh unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>31 Revenue from operations</b>		
<b>Operating revenue</b>		
Sale of products	33,454.90	34,605.10
<b>Other operating revenues</b>		
Income from repair of Printed Circuit Board (PCB)	6.97	21.87
Job work charges	0.02	-
	<u>33,461.89</u>	<u>34,626.97</u>
<b>32 Other income</b>		
<b>Interest from</b>		
Bank deposits	0.52	0.34
Others	2.32	3.78
Other financial assets carried at amortised cost	3.71	3.26
<b>Other income</b>		
Income from renting of premises	37.64	38.79
Foreign exchange fluctuation (net)	-	127.75
Profit on disposal of property, plant and equipment (net)	1.08	6.22
Insurance claim	-	5.38
	<u>45.27</u>	<u>185.52</u>
<b>33 Cost of materials consumed</b>		
Opening stock	3,538.91	2,345.62
Add: Purchases made during the year	29,262.05	31,277.40
	<u>32,800.96</u>	<u>33,623.02</u>
Less: Closing stock	3,280.49	3,538.91
	<u>29,520.47</u>	<u>30,084.11</u>
<b>34 Changes in inventories of finished goods and work-in-progress</b>		
<b>Opening stock</b>		
Work-in-progress	162.30	239.21
Finished goods	57.92	75.31
<b>Closing stock</b>		
Work-in-progress	222.97	162.30
Finished goods	57.45	57.92
Change in stock	(60.20)	94.30
Change in excise duty on closing stock	-	8.36
	<u>(60.20)</u>	<u>85.94</u>

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IL JIN Electronics (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amount in ₹ lakh unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>35 Employee benefits expense</b>		
Salary, wages and bonus	697.45	638.69
Contribution to provident and other funds	32.14	35.63
Staff welfare expenses	54.25	43.97
	<b>783.84</b>	<b>718.29</b>
For disclosures related to provision for employee benefits, refer note 46 - Employee benefit obligations.		
<b>36 Finance costs</b>		
Interest on		
- Term loans	370.51	479.35
- Others	16.77	17.36
Other borrowing costs	4.42	11.89
	<b>391.70</b>	<b>508.60</b>
<b>37 Depreciation and amortisation expense</b>		
Depreciation (also refer note 4)	342.75	304.95
Amortisation (also refer note 6)	4.32	1.66
	<b>347.07</b>	<b>306.61</b>
<b>38 Other expenses</b>		
Power, fuel and water charges	208.51	246.09
Freight, transport and distribution	141.35	169.41
Legal and professional fees (refer note (i))	75.72	69.09
Travelling and conveyance expense	111.41	91.52
Repairs and maintenance		
- Plant and machinery	85.86	117.76
- Others	54.64	50.24
Insurance	5.62	6.12
Rent	20.25	32.54
Rates and taxes	2.36	6.01
Bank charges	1.25	2.54
Job work charges	57.25	87.31
Postage	0.43	0.24
Vehicle running expenses	20.55	19.25
Printing and stationary	5.80	6.25
Business promotion expenses	7.79	10.79
Contractual labour charges	654.62	613.13
Staff uniform expense	3.15	4.82
Amounts written off	-	30.76
Impairment of Capital work in progress	-	23.17
Telephone expenses	6.38	4.97
Mark to market loss on forward contracts	11.80	-
Foreign exchange fluctuation (net)	47.24	-
Director's sitting fees	2.85	-
Security charges	31.61	15.83
Miscellaneous expenses	49.33	15.84
	<b>1,605.77</b>	<b>1,623.68</b>
<b>i) Payments to the auditor:</b>		
For statutory audit and limited review	13.00	8.50
Reimbursement of expenses	0.78	-
<b>Total</b>	<b>13.78</b>	<b>8.50</b>



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**IL JIN Electronics (India) Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**  
**(All amount in ₹ lakh unless otherwise stated)**

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>39 Earnings per share</b>		
Net profit after tax as per statement of profit and loss attributable to equity shareholders	576.26	168.55
Weighted average number of equity shares	1,886,590	1,873,243
Basic and diluted earning per share (₹)	30.54	9.00
Nominal value per equity share (₹)	10.00	10.00
	As at 31 March 2019	As at 31 March 2018
<b>40 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)</b>	26.50	Nil
<b>41 Contingent liability not provided for exists in respect of ^:</b>		
	As at 31 March 2019	As at 31 March 2018
<b>(i) Contingent liabilities</b>		
<b>a) Central Excise and Custom Duty Demand *</b>		24.83
<b>b) Others</b>		
- Employee Provident Fund**	36.92	36.92
- Minimum Wages***	22.29	22.29
<b>* The Company has previously been served with a demand notice amounting to ₹ 24.83 lakh from Central Excise for shifting of finished goods bought at concessional rate of duty. The Company has filed appeal before the Central Excise &amp; Service Tax Appellate Tribunal against the said demand and has received grant for unconditional stay from the recovery of duty and penalty. On 21 December 2018 Customs, Excise &amp; Service Tax Appellate Tribunal, Allahabad had issue the order that appellant shall be entitled for concessional relief as per law.</b>		
<b>** In financial year 2015-16, Company has received demand notice amounting ₹ 36.92 lakh in relation to payment of contribution of three international worker under section 7A of the Employee Provident Fund and Miscellaneous Provisions Act, 1951. Company has made submission with Assistant Provident Fund Commissioner and same is pending for disposal.</b>		
<b>*** The Company has been served with orders in FY 2014-15 under Minimum Wages Law claiming ₹ 22.29 lakh for payment of wages below minimum wages. Based on the advice from Independent tax expert and development, the management is confident that such addition will not be sustained on completion of the appellate and accordingly, pending the decision by the appellate authority no adjustment has been made in the financial statement.</b>		
<b>^ The Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in which it is held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling has not prescribed any clarification w.r.t. to its application, the Company is in the process of evaluating its impact. Management believes that this will not result in any material liability on the Company.</b>		
<b>42 Related party disclosures</b>		
<b>A. Relationship with related parties</b>		
<b>I. Holding Company</b>	Amber Enterprises India Limited	
<b>II. Entities over which significant influence is exercised by the company /key management personnel (either individually or with others)</b>	Ever Electronics Private Limited Appserve Appliance Pvt Ltd PICL (India) Private Limited	
<b>III. Key management personnel (KMP)</b>		
a. Mr. Hyun Chul Sim (Director and Chief Executive Officer)		
b. Mr. Jasbir Singh (Director) (appointed w.e.f. 21 December 2017)		
c. Mr. Daljit Singh (Director) (appointed w.e.f. 21 December 2017)		
e. Mr. Satwinder Singh (Independent director) (appointed w.e.f. 24 May 2018)		
f. Ms. Sudha Pillai (Independent director) (appointed w.e.f. 24 May 2018)		

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IL JIN Electronics (India) Private Limited  
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
(All amount in ₹ lakh unless otherwise stated)

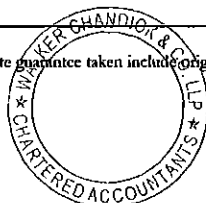
42 Related party disclosures (continued)

The following transactions were carried out with related parties in the ordinary course of business for the year ended 31 March 2019 and 31st March 2018

S No.	Particulars	Holding Company		Entities over which significant influence is exercised		Key management personnel	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
(A)	Transactions made during the year:						
1	<b>Sale of goods</b>						
	Ever Electronics Private Limited	-	-	126.25	548.79	-	-
	Amber Enterprises India Limited	172.01	-	-	-	-	-
	PICL (India) Private Limited	-	-	0.09	-	-	-
2	<b>Purchase of goods</b>						
	Ever Electronics Private Limited	-	-	56.88	-	-	-
	Amber Enterprises India Limited	131.72	36.72	-	-	-	-
	Appserve Appliance Pvt Ltd	-	-	0.13	-	-	-
3	<b>Sale of property, plant and equipment</b>						
	Ever Electronics Private Limited	-	-	5.38	-	-	-
	Amber Enterprises India Limited	0.64	-	-	-	-	-
4	<b>Purchase of property, plant and equipment</b>						
	Ever Electronics Private Limited	-	-	14.26	-	-	-
	Amber Enterprises India Limited	2.24	1.57	-	-	-	-
	Appserve Appliance Pvt Ltd	-	-	1.26	-	-	-
5	<b>Sale of repair items</b>						
	Ever Electronics Private Limited	-	-	-	1.69	-	-
6	<b>Repair and maintenance services received</b>						
	Appserve Appliance Pvt Ltd	-	-	0.01	-	-	-
7	<b>Reimbursements received - Travelling and conveyance expenses</b>						
	Amber Enterprises India Limited	-	1.56	-	-	-	-
8	<b>Remuneration paid to KMP's</b>						
	Director sitting fees to independent directors	-	-	-	-	2.85	-
	Salary paid*	-	-	-	-	130.05	78.03
	*Name of KMP's						
	Mr. Hyun Chul Sim	-	-	-	-	130.05	50.01
	Mr. Sang Lyeol Cha	-	-	-	-	-	28.02
9	<b>Unsecured loan from shareholder/director/associate</b>						
	Mr. Hyun Chul Sim	-	-	-	-	-	21.00
10	<b>Repayment of unsecured loan to shareholder/director/associate</b>						
	Mr. Hyun Chul Sim	-	-	-	-	57.01	14.40
11	<b>Corporate guarantee taken</b>						
	Amber Enterprises India Limited	-	5,100.00	-	-	-	-

	Particulars	Holding Company		Entities over which significant influence is exercised		Key management personnel	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
(B)	Balances at year end						
1	<b>Trade payables</b>						
	Amber Enterprises India Limited	135.92	63.31	-	-	-	-
	Ever Electronics Private Limited	-	-	119.33	-	-	-
2	<b>Trade receivables</b>						
	Amber Enterprises (India) Private Limited	220.18	-	-	-	-	-
	PICL (India) Private Limited	-	-	0.12	-	-	-
	Ever Electronics Private Limited	-	-	403.27	806.54	-	-
2	<b>Director remuneration payables</b>						
	Mr. Hyun Chul Sim	-	-	-	-	3.84	3.41
3	<b>Unsecured loan from shareholder/director</b>						
	Mr. Hyun Chul Sim	-	-	-	-	-	57.01
4	<b>Corporate guarantee taken*</b>						
	Amber Enterprises India Limited	5,100.00	5,100.00	-	-	-	-

\* The above disclosed balances of corporate guarantee taken include original sanctioned limits of working capital borrowings and term loans by the continuing banks.



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**43 Assets pledged as security**

The carrying amounts of assets pledged/ hypothecated as security for current and non-current borrowings are:

	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
Inventories	3,603.98	3,759.13
Trade receivables	2,733.34	2,777.75
Cash and cash equivalents	2.45	53.77
Loans, other financial and other assets	81.90	111.93
<b>Non-current</b>		
Property, plant and equipment	4,277.51	4,454.90

**44 Tax expense**

Income tax expense recognised in statement of profit and loss

Current tax (including taxes earlier years)

Deferred tax

	For the year ended 31 March 2019	For the year ended 31 March 2018
	190.60	52.18
	151.65	35.19
	<b>342.25</b>	<b>87.37</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 33.38% and the reported tax expense in profit or loss are as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/ (loss) before tax	918.51	255.92
Income tax using the Company's domestic tax rate *	33.38%	33.06%
<b>Expected tax expense [A]</b>	<b>306.62</b>	<b>84.61</b>
<b>Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense</b>		
Non-deductible expenses/non-taxable income	35.73	2.54
Others	(0.10)	0.22
<b>Total adjustments [B]</b>	<b>35.63</b>	<b>2.76</b>
<b>Actual tax expense [C=A+B]</b>	<b>342.25</b>	<b>87.37</b>

\* Domestic tax rate applicable to the Company has been computed as follows

Base tax rate	30%	30%
Surcharge (% of tax)	7%	7%
Cess (% of tax)	4%	3%
Applicable rate	33.38%	33.06%



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**IL JIN Electronics (India) Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**  
**(All amount in ₹ lakh unless otherwise stated)**

**45 Leases**

**Operating leases**

The Company has leased some of its premises to a third party under a lease agreement that qualifies as an operating lease. Rental income for operating leases for the years ended 31 March 2019 and 31 March 2018 aggregate to ₹ 37.64 lakh and ₹ 38.79 lakh respectively.

The Company is a lessee under various cancellable operating leases. Rental expense for operating leases for the years ended 31 March 2019 and 31 March 2018 was ₹ 20.25 lakh and ₹ 32.54 lakh respectively.

**Finance leases**

a) The Company has taken certain assets on finance lease basis. The legal title to such assets vests with the lessors. The total minimum lease payments, elements of unearned interest included in such payments and present value of lease payments are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Total minimum lease payments	6,533.08	6,541.90
Less: Future interest included in above	6,393.48	6,408.97
<b>Present value of minimum lease payments</b>	<b>139.60</b>	<b>132.93</b>

b) The maturity profile of the finance lease obligation is as follows:

Particulars	31 March 2019		31 March 2018	
	Minimum lease payment	Present value	Minimum lease payment	Present value
Year ending after balance sheet date:				
Upto one year	11.00	9.81	8.81	7.88
One to five years	50.65	34.22	48.44	32.57
More than five years	6,471.43	95.57	6,484.65	92.48



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## 46 Employee benefit obligations

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non-current	Current	Non-current
Gratuity	1.80	65.09	1.56	53.55
Leave encashment	1.11	10.28	1.53	24.26
<b>Total</b>	<b>2.92</b>	<b>75.37</b>	<b>3.09</b>	<b>77.81</b>

## A Disclosure of gratuity

## (i) Amount recognised in the statement of profit and loss is as under:

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	8.17	6.76
Interest cost	4.25	3.59
<b>Net impact on profit (before tax)</b>	<b>12.42</b>	<b>10.35</b>
Actuarial loss/(gain) recognised during the year	0.86	(3.25)
<b>Amount recognised in total comprehensive income</b>	<b>13.28</b>	<b>7.09</b>

## (ii) Change in the present value of obligation:

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Present value of defined benefit obligation as at the beginning of the year	55.11	48.89
Current service cost	8.17	6.76
Interest cost	4.25	3.59
Benefits paid	(1.49)	(0.88)
Actuarial (gain) /loss	0.86	(3.25)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>66.90</b>	<b>55.11</b>

## (iii) Breakup of actuarial (gain)/loss:

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	0.61	(3.22)
Actuarial (gain)/loss from experience adjustment	0.25	(0.04)
<b>Total actuarial (gain)/loss</b>	<b>0.86</b>	<b>(3.25)</b>

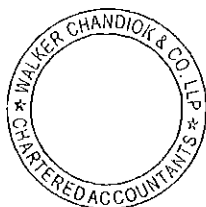
## (iv) Actuarial assumptions

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	7.65%	7.71%
Rate of increase in compensation levels	5.50%	5.50%
Retirement age	60 years	60 years

## Notes:

- 1) The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.
- 2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion, business plan, HR policy and other relevant factors.
- 3) The best estimated expense for the next year is Rs 15.17 lakh.
- 4) The weighted average duration of defined benefit obligation is 19.63 years (31 March 2018 : 19.62 years)

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## (vi) Sensitivity analysis for gratuity liability

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Impact of change in discount rate</b>		
Present value of obligation at the end of the year	66.90	55.11
- Impact due to increase of 0.50 %	(4.92)	(4.14)
- Impact due to decrease of 0.50 %	5.44	4.59
<b>Impact of change in salary increase</b>		
Present value of obligation at the end of the year	66.90	55.11
- Impact due to increase of 0.50 %	5.53	4.67
- Impact due to decrease of 0.50 %	(5.04)	(4.24)

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year

## (vii) Maturity profile of defined benefit obligation

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Within next 12 months	1.80	1.56
Between 1-5 years	5.52	4.62
Beyond 5 years	59.58	48.93



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47 Fair value disclosures

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are divided into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Financial assets measured at fair value - recurring fair value measurements

The Company does not have any financial instruments which are measured at Fair value either through statement of profit and loss or through other comprehensive income.

Particulars	Level	31 March 2019	31 March 2018	Valuation technique
Financial liabilities				
Derivative liability	Level 2	11.80	-	Valued using forward exchange rates at the balance sheet date

(iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	31 March 2019		31 March 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	93.80	94.67	84.91	87.06
Other financial assets	Level 3	0.92	0.92	0.86	0.86
<b>Total financial assets</b>		<b>94.72</b>	<b>95.59</b>	<b>85.77</b>	<b>87.92</b>
Financial liabilities					
Borrowings	Level 3	2,630.62	2,640.68	2,795.93	2,862.89
Other financial liabilities	Level 3	-	-	28.22	28.34
<b>Total financial liabilities</b>		<b>2,630.62</b>	<b>2,640.68</b>	<b>2,824.15</b>	<b>2,891.23</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets, short term borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.

(ii) The fair values of the Company's loans and receivables are determined by applying discounted cash flows (DCF) method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own nonperformance risk as at 31 March 2019 was assessed to be insignificant.

48 Financial risk management

i) Financial instruments by category

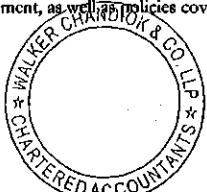
Particulars	31 March 2019			31 March 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Loans	-	-	101.62	-	-	90.64
Trade receivables	-	-	2,733.34	-	-	2,777.75
Cash and cash equivalents	-	-	2.45	-	-	53.77
Other financial assets	-	-	1.79	-	-	13.29
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,839.20</b>	<b>-</b>	<b>-</b>	<b>2,935.45</b>
Financial liabilities						
Borrowings	-	-	2,823.68	-	-	3,196.08
Trade payable	-	-	4,827.04	-	-	4,988.39
Other financial liabilities	11.80	-	163.71	-	-	319.16
<b>Total</b>	<b>11.80</b>	<b>-</b>	<b>7,814.43</b>	<b>-</b>	<b>-</b>	<b>8,503.63</b>

ii) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term and short-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.



**A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The Company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans and receivables carried at amortised cost, and
- deposits with banks

**a) Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A: Low
- B: Medium
- C: High

**Assets under credit risk –**

Credit rating	Particulars	31 March 2019	31 March 2018
A: Low	Loans	101.62	90.64
	Cash and cash equivalents	2.45	53.77
	Other financial assets	1.79	13.29
	Trade receivables	2,733.34	2,777.75

**Cash and cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

**Trade receivables**

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due.

**Other financial assets measured at amortised cost**

Other financial assets measured at amortised cost includes security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

**b) Expected credit losses****Trade receivables**

Company's major trade receivables are with credit worthy counterparties. Therefore, these trade receivables are considered high quality and accordingly no life time expected credit losses are recognised on such receivables based on simplified approach. The Company considers that trade receivables are not credit impaired as these are receivable from credit worthy counterparties.

**Other financial assets measured at amortised cost**

The Company provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**a) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 March 2019	31 March 2018
- Expiring within one year (cash credit and other facilities)	2,306.94	2,456.00
- Expiring beyond one year (bank loans)	-	-
	2,306.94	2,456.00

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.



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b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity Companying's based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2019	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
<b>Non-Derivative</b>					
Borrowings including interest *	1,092.75	1,492.49	646.99	-	3,232.23
Trade payable	4,827.04	-	-	-	4,827.04
Other financial liabilities	163.71	-	-	-	163.71
<b>Derivative</b>					
Derivative liability	11.80	-	-	-	11.80
<b>Total</b>	<b>6,095.30</b>	<b>1,492.49</b>	<b>646.99</b>	<b>-</b>	<b>8,234.78</b>

31 March 2018	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
<b>Non-Derivative</b>					
Borrowings including interest *	867.21	2,296.76	618.57	-	3,782.54
Trade payable	4,988.39	-	-	-	4,988.39
Other financial liabilities	291.89	28.77	-	-	320.66
<b>Derivative</b>					
Derivative liability	-	-	-	-	-
<b>Total</b>	<b>6,147.49</b>	<b>2,325.53</b>	<b>618.57</b>	<b>-</b>	<b>9,091.59</b>

\* borrowings excludes finance lease obligations, refer note 44 for disclosure of maturity profile of finance lease obligations

c) Market Risk

a) Foreign currency risk

(i) The Company uses foreign currency forward exchange contracts to hedge its risks associated with fluctuations in foreign currencies relating to foreign currency liabilities. The following are outstanding derivatives contracts:

Nature of hedge instrument	Description of hedge	31 March 2019		31 March 2018	
		Amount in foreign currency (USD)	Amount in Indian Rupees	Amount in foreign currency (USD)	Amount in Indian Rupees
<b>Contract : Forward contract</b>					
Forward contract	To take protection against appreciation in Indian Rupees against USD payable in respect of direct imports	1,164,002.17	818.25	-	-

(ii) Unhedged foreign currency risk exposure in USD:

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	31 March 2019	31 March 2018
<b>Financial assets</b>		
Trade receivables	19.85	-
<b>Financial liabilities</b>		
Trade payables	1,012.18	2,214.23
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>(992.33)</b>	<b>(2,214.23)</b>

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	31 March 2019	31 March 2018
<b>USD sensitivity</b>		
₹/USD- increase by 100 bps (31 March 2018 100 bps)*	(9.92)	(22.14)
₹/USD- decrease by 100 bps (31 March 2018 100 bps)*	9.92	22.14

\* Holding all other variables constant



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**IL JIN Electronics (India) Private Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amount in ₹ lakh unless otherwise stated)

**b) Interest rate risk**

**i) Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

**Interest rate risk exposure**

Below is the overall exposure of the Company to interest rate risk:

Particulars	31 March 2019	31 March 2018
Variable rate borrowing	2,542.22	2,900.15
Fixed rate borrowing	280.46	294.98
<b>Total borrowings</b>	<b>2,822.68</b>	<b>3,195.13</b>
Amount disclosed under other current financial liabilities	675.42	224.07
<b>Amount disclosed under borrowings</b>	<b>2,147.26</b>	<b>2,971.06</b>

**Sensitivity**

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	31 March 2019	31 March 2018
<b>Interest sensitivity*</b>		
Interest rates – increase by 100 bps (31 March 2018 100 bps)*	25.42	29.00
Interest rates – decrease by 100 bps (31 March 2018 100 bps)*	(25.42)	(29.00)

\* Holding all other variables constant

**ii) Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**c) Price risk**

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

**49 Capital management**

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	31 March 2019	31 March 2018
Total borrowings*	2,629.62	2,794.98
Total equity	2,981.00	2,405.31
<b>Net debt to equity ratio</b>	<b>0.88</b>	<b>1.16</b>

\*Total borrowings doesn't include short-term borrowings.



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**IL JIN Electronics (India) Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

(All amount in ₹ lakh unless otherwise stated)

**50 Revenue from Contracts with Customers**

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

The Company has adopted the standard on 1 April 2018 on a modified retrospective basis with a cumulative catch-up adjustment booked to retained earnings as at 1 April 2018 as if the standard had always been in effect. The standard is applied only to contracts that are not completed as at 1 April 2018. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of the new standard did not result in any adjustments to the Company's net income. There is no impact on the retained earnings as at 1 April 2017 and on the profit for the year ended 31 March 2018.

**(a) Disaggregation of revenue**

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue from operations	Sale of products	Other operating revenue*	Total
<b>Revenue by geography</b>			
Domestic	33,420.15	6.99	33,427.14
Export	34.75	-	34.75
<b>Total</b>	<b>33,454.90</b>	<b>6.99</b>	<b>33,461.89</b>
<b>Revenue by time</b>			
Revenue recognised at point in time			33,461.89
Revenue recognised over time			-
<b>Total</b>			<b>33,461.89</b>

\* includes income from repair of Printed Circuit Board (PCB)

**(b) Revenue recognised in relation to contract liabilities**

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. There is no revenue recognised in relation to contract liabilities by the Company.

**(c) There are no contracts assets and liabilities related to contracts with customers**

**(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price**

Description	Year ended 31 March 2019
Contract price	33,461.89
Less: Discount, rebates, credits etc.	-
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>33,461.89</b>



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**IL JIN Electronics (India) Private Limited**

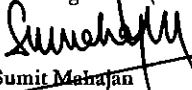
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

**(All amount in ₹ lakh unless otherwise stated)**

51 The Company is engaged in the manufacturing of components of consumer durable products. Basis the nature of Company's business and operations, the Company has one operating segment i.e. "manufacture of components of consumer durable products" for which information is reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance. Hence, the Company has only one reportable segment as per the requirements of Ind AS 108 – 'Operating Segments'. Majority of the revenue is derived from one geography and two external customers amounting to ₹ 32,495.24 lakh (31 March 2018: ₹ 30,933.80 lakh from two external customers).

These are notes to accounts as referred to in our report of even date.


For Walker Chandiook & Co LLP  
Chartered Accountants  
(Firm Registration No. 001076N/N500013)

  
Sumit Mahajan  
Partner  
(Membership No. 504822)


Place: Gurugram  
Date: 24 May 2019



For and on behalf of Board of Directors of  
IL JIN Electronics (India) Private Limited

  
Jasbir Singh  
Director  
(DIN: 00259632)

Place: Gurugram  
Date: 24 May 2019

  
Daljit Singh  
Director  
(DIN No.: 02023964)

Place: Gurugram  
Date: 24 May 2019