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Independent Auditor's Report

To the Members of PICL (India) Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of PICL (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 loss (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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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information 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.

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

Report on Other Legal and Regulatory Requirements

11. 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.

12. 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.

13. 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;

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Chartered Accountants

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;

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 22 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 38 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

WALKER CHANDIOK & CO. LLP ★ CHARTERED ACCOUNTANTS ★

Place: Gurugram
Date: 22 May 2019

Annexure A to the Independent Auditor's Report of even date to the members of PICL (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, investment property, other intangible assets.

(b) The fixed assets comprising of property, plant and equipment and capital work-in-progress 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 and capital work-in-progress 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 complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(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.

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

(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 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. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income tax Act, 1961	Non/late filing of tax deducted at source	1.61	-	A.Y. 2011-12 A.Y. 2012-13	Commissioner of Income Tax (Appeals)	Refer Note 38 of financial statements

(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 Sections 177 and 188 of 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.

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Annexure A to the Independent Auditor's Report of even date to the members of PICL (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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumit Mahajan
Partner
Membership No.: 504822

WALKER CHANDIOK & CO. LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: 22 May 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 PICL (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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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.

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Chartered Accountants

Annexure B to the Independent Auditor's Report of even date to the members of PICL (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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI) .

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

WALKER CHANDIOK & CO. LLP ★ CHARTERED ACCOUNTANTS ★

Sumit Mahajan
Partner
Membership No.: 504822

Place: Gurugram
Date: 22 May 2019

PICL (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
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,866.54	3,480.23
Capital work-in-progress	5	86.03	454.97
Other Intangible assets	6	620.39	518.70
Intangible assets under development	7	551.39	506.89
Financial assets			
Loans	8	29.53	24.03
Non-current tax assets (net)	9	57.92	21.06
Other non-current assets	10	42.20	20.59
Total non-current assets		**5,254.00**	**5,026.47**
Current assets			
Inventories	11	2,400.73	2,949.07
Financial assets			
Trade receivables	12	3,539.87	1,822.53
Cash and cash equivalents	13	139.90	1,095.29
Other bank balances	14	13.58	99.80
Loans	15	21.56	25.54
Other financial assets	16	0.74	50.29
Other current assets	17	728.39	1,346.83
Total current assets		**6,844.77**	**7,389.35**
Total assets		**12,098.77**	**12,415.82**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	364.21	364.21
Other equity	19	2,006.57	2,168.80
Total equity		**2,370.78**	**2,533.01**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	20	541.02	729.53
Provisions	21	67.33	64.95
Deferred tax liabilities (net)	22	79.30	151.53
Total non-current liabilities		**687.65**	**946.01**
Current liabilities			
Financial liabilities			
Borrowings	23	3,352.17	2,754.36
Trade payables	24		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,081.66	4,664.43
Other financial liabilities	25	457.07	902.42
Other current liabilities	26	40.87	547.15
Provisions	27	4.00	2.15
Current tax liabilities (net)	28	104.57	66.29
Total current liabilities		**9,040.34**	**8,936.80**
Total liabilities		**9,727.99**	**9,882.81**
Total equity and liabilities		**12,098.77**	**12,415.82**

Summary of 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 Chandiok & Co LLP**
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sumit Mahajan
Partner
(Membership No. 504822)

Place: Gurugram
Date: 22 May 2019

WALKER CHANDIOK & CO. LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of Board of Directors of
PICL (India) Private Limited

Daljit Singh
Managing Director
(DIN No.: 02023964)

Place: Gurugram
Date: 22 May 2019

Jasbir Singh
Director
(DIN: 00259632)

Place: Gurugram
Date: 22 May 2019

PICL (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
Income			
Revenue from operations	29	13,700.74	14,747.23
Other income	30	91.40	80.02
Total income		13,792.14	14,827.25
Expenses			
Cost of materials consumed	31	10,289.48	11,198.95
Changes in inventories of finished goods and work-in-progress	32	370.94	(343.20)
Excise duty		-	422.89
Employee benefits expense	33	566.93	579.62
Finance costs	34	484.23	564.06
Depreciation and amortisation expense	35	487.40	429.04
Other expenses	36	1,825.14	2,103.30
Total expenses		14,024.12	14,954.66
Loss before tax		(231.98)	(127.41)
Tax expense			
Deferred tax		(71.07)	(24.07)
Loss for the year		(160.91)	(103.34)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gains on defined benefit obligations		(2.48)	12.06
Income tax relating to these items		1.16	(3.99)
Other comprehensive income/(loss) for the year		(1.32)	8.07
Total comprehensive loss for the year		(162.23)	(95.27)
Loss per equity share			
Basic and diluted loss per share (₹)	37	(4.42)	(2.84)

Summary of Significant accounting policies
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 Chandiok & Co LLP**
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sumit Mahajan
Partner
(Membership No. 504822)

Place: Gurugram
Date: 22 May 2019

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of Board of Directors of
PICL (India) Private Limited

Daljit Singh
Managing Director
(DIN No.: 02023964)

Place: Gurugram
Date: 22 May 2019

Jasbir Singh
Director
(DIN: 00259632)

Place: Gurugram
Date: 22 May 2019

PICL (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
A. Cash flows from operating activities			
Loss before tax		(231.98)	(127.41)
Adjustment for:			
Depreciation and amortisation		487.40	429.04
Provision for doubtful debt written back		-	(8.83)
Interest income		(8.99)	(9.71)
Unrealised foreign exchange gain		(45.25)	(3.60)
Impairment loss on property, plant and equipment and capital work-in progress		-	27.63
Loss by fire		-	37.51
Loss on account of unapproved product development		58.91	-
Bad debt		18.90	38.32
Other advances written off		4.76	117.60
Liabilities written back		(23.17)	(7.06)
Finance costs		346.06	564.06
Operating profit before working capital changes		606.64	1,057.55
Movements in working capital:			
Trade receivables		(1,736.24)	688.21
Inventories		548.34	(778.83)
Financial and other assets		665.11	(548.05)
Trade payables		490.55	380.07
Provisions		4.23	(16.12)
Financial and other liabilities		(989.91)	688.65
Cash generated from operations		(411.28)	1,471.48
Income tax refunded/(paid) (net)		1.41	(40.85)
Net cash (used in)/generated from operating activities	**A**	(409.87)	1,430.63
B. Cash flows from investing activities			
Purchase of property, plant and equipment, capital work-in-progress, intangibles, intangible assets under development including capital advances		(710.58)	(1,317.97)
Movement in bank deposits		86.22	37.56
Movement in security deposits		(1.52)	-
Interest received on bank deposits		8.99	-
Net cash used in from investing activities	**B**	(616.89)	(1,280.41)
C Cash flows from financing activities:			
Proceeds from short-term borrowings (net)		584.55	763.85
Proceeds from long term borrowings		126.00	849.99
Repayment of long term borrowings		(273.15)	(166.95)
Finance costs paid		(366.03)	(554.43)
Net cash generated from financing activities	**C**	71.37	892.46
D Net (decrease)/increase in cash and cash equivalent (A+B+C)		(955.39)	1,042.68
E Cash and cash equivalent at the beginning of the year		1,095.29	52.61
Cash and cash equivalent at the end of the year (D+E) {refer note 13}		139.90	1,095.29

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	For the year ended 31 March 2019	For the year ended 31 March 2018

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	10.90	1,003.01
- deposits with original maturity less than three months (refer note (ii) below)	128.13	89.21
Cash in hand	0.87	3.07
Cash and bank balances	139.90	1,095.29

The carrying values are a reasonable approximate of their fair values.

b. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind-AS 7) on "Statements of Cash Flows"

c. Negative figures have been shown in brackets

This is the cash flow statement referred to in our report of even date.

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

Sumit Mahajan
Partner
(Membership No. 504822)

Place: Gurugram
Date: 22 May 2019

WALKER CHANDIOK & CO. LLP * CHARTERED ACCOUNTANTS *

For and on behalf of Board of Directors of
PICL (India) Private Limited

Daljit Singh
Managing Director
(DIN No.: 02023964)

Place: Gurugram
Date: 22 May 2019

Jasbir Singh
Director
(DIN: 00259632)

Place: Gurugram
Date: 22 May 2019

PICL (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	364.21
Changes in equity share capital during the year	-
Balance as at 31 March 2018	364.21
Changes in equity share capital during the year	-
Balance as at 31 March 2019	364.21

B Other equity

Particulars	Securities premium	General reserve	Retained earnings	Total
Balance as at 1 April 2017	0.05	54.48	2,209.54	2,264.07
Loss for the year	-	-	(103.34)	(103.34)
Comprehensive income for the year (net of tax)	-	-	8.07	8.07
Balance as at 31 March 2018	0.05	54.48	2,114.27	2,168.80
Loss for the year	-	-	(160.91)	(160.91)
Comprehensive income for the year (net of tax)	-	-	(1.32)	(1.32)
Balance as at 31 March 2019	0.05	54.48	1,952.04	2,006.57

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

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

Sumit Mahajan
Partner
(Membership No. 504822)

Place: Gurugram
Date: 22 May 2019

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For and on behalf of Board of Directors of
PICL (India) Private Limited

Daljit Singh
Managing Director
(DIN No.: 02023964)

Place: Gurugram
Date: 22 May 2019

Jasbir Singh
Director
(DIN: 00259632)

Place: Gurugram
Date: 22 May 2019

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

PICL (India) Private Limited (the "Company") a public limited company domiciled in India and having its registered office at D-151/A, Okhla Industrial Area, Phase-I, New Delhi-110020, was incorporated in September 1994, under the Companies Act 1956, is engaged in the production of electric motors. The Company is currently operating through its factories situated at Faridabad in Haryana.

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 22 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.

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.

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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

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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.

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.

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

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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 over the following periods:

	Useful life (in years)
Computer softwares	6
Development costs	7

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 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.

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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.

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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.

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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:

(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.

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4. Property, plant and equipment

Description	Land	Buildings	Leasehold improvements	Plant and machinery	Furniture & fixtures	Office equipments	Vehicles	Computers	Total
Gross Block									
As at 1 April 2017	220.67	826.39	-	3,035.13	137.44	53.31	145.39	115.59	4,533.92
Additions	-	51.46	54.69	541.52	27.39	8.77	-	9.79	693.62
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2018	220.67	877.85	54.69	3,576.65	164.83	62.08	145.39	125.38	5,227.54
Additions	-	34.39	-	695.72	7.82	3.19	-	7.92	749.04
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2019	220.67	912.24	54.69	4,272.37	172.65	65.27	145.39	133.30	5,976.58
Accumulated depreciation									
As at 1 April 2017	-	191.00	-	939.78	97.19	28.83	63.47	99.54	1,419.81
Charge for the year	-	25.31	1.65	268.33	6.79	4.43	15.09	5.90	327.50
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2018	-	216.31	1.65	1,208.11	103.98	33.26	78.56	105.44	1,747.31
Charge for the year	-	27.83	1.73	297.80	8.75	3.77	14.25	8.59	362.73
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2019	-	244.14	3.38	1,505.91	112.73	37.03	92.81	114.03	2,110.04
Net block as at 31 March 2018	220.67	661.54	53.04	2,368.54	60.85	28.82	66.83	19.94	3,480.23
Net block as at 31 March 2019	220.67	668.11	51.31	2,766.46	59.92	28.23	52.58	19.27	3,866.54

(i) Contractual obligations

Refer note 38(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

	As at 31 March 2019	As at 31 March 2018
5. Capital work-in-progress		
Plant and machinery	86.03	454.97
	86.03	**454.97**

(i) The borrowing cost capitalised during the year ended 31 March 2019 amounts to ₹ 18.65 lakh (31 March 2018: ₹ 18.86 lakh).

(ii) Movement in capital work in progress:

Particulars	Amount
Capital work-in-progress as at 1 April 2017	171.05
Add: additions during the year	454.97
Less: capitalisation during the year	(171.05)
Capital work-in-progress as at 31 March 2018	454.97
Add: additions during the year	268.50
Less: capitalisation during the year	(637.44)
Capital work-in-progress as at 31 March 2019	86.03

(iii) During the year, expenses aggregating to INR 154.03 lakh (31 March 2018 INR 454.97 lakh), net off scrap income have been capitalised under capital work-in-progress. The aforesaid expenses comprises of raw material consumption, personnel costs, power and fuel charges and other related expenses.

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PICL (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)

6. Intangible assets

Description	Softwares	Patent and trademark	Development costs	Total intangible assets
Gross Block				
As at 1 April 2017	132.94	30.00	611.94	774.88
Additions	14.17	-	87.26	101.43
As at 31 March 2018	**147.11**	**30.00**	**699.20**	**876.31**
Additions	3.43	-	222.93	226.36
As at 31 March 2019	**150.54**	**30.00**	**922.13**	**1,102.67**
Accumulated amortisation				
As at 1 April 2017	108.08	29.86	118.13	256.07
Amortisation charge for the year	9.42	0.14	91.98	101.54
As at 31 March 2018	**117.50**	**30.00**	**210.11**	**357.61**
Amortisation charge for the year	10.06	-	114.61	124.67
As at 31 March 2019	**127.56**	**30.00**	**324.72**	**482.28**
Net block as at 31 March 2018	**29.61**	**-**	**489.09**	**518.70**
Net block as at 31 March 2019	**22.98**	**-**	**597.41**	**620.39**

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

	As at 31 March 2019	As at 31 March 2018
7. Intangible assets under development		
Development costs	551.39	506.89
	551.39	**506.89**

(i) Movement in intangible assets under development:

Particulars	Amount
Intangible assets under development as at 1 April 2017	**273.31**
Add: additions during the year	348.46
Less: capitalisation during the year	(87.25)
Less: impairment during the year	(27.63)
Intangible assets under development as at 31 March 2018	**506.89**
Add: additions during the year	326.34
Less: capitalisation during the year	(222.93)
Less: Loss on account of unapproved product development	(58.91)
Intangible assets under development as at 31 March 2019	**551.39**

(ii) During the year, expenses aggregating to INR 324.83 lakh (31 March 2018 INR 348.46 lakh), net off scrap income have been capitalised under intangible assets under development. The aforesaid expenses comprises of raw material consumption, personnel costs, power and fuel charges and other related expenses.

WALKER CHANDIOK & CO. LLP * CHARTERED ACCOUNTANTS *

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		As at 31 March 2019	As at 31 March 2018
8	**Loans (Non-current)**		
	Unsecured, considered good		
	Security deposits	29.53	24.03
		29.53	**24.03**

Refer note 44 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 45 - Financial risk management for assessment of expected credit losses

		As at 31 March 2019	As at 31 March 2018
9	**Non-current tax assets (net)**		
	Advance tax and TDS recoverable	57.92	21.06
		57.92	**21.06**
10	**Other non-current assets**		
	Capital advances	37.40	13.91
	Balance with statutory authorities	1.50	1.50
	Prepaid expenses	3.30	5.18
		42.20	**20.59**
11	**Inventories**		
	(Valued at lower of cost and net realisable value, unless otherwise stated)		
	Raw materials (refer note (i) below)	1,628.83	1,806.23
	Work-in-progress	575.34	988.29
	Finished goods (refer note (ii) below)	196.56	154.55
		2,400.73	**2,949.07**

Notes:

(i) Raw materials include goods in transit amounting to ₹ 60.92 lakh (31 March 2018: ₹ Nil)

(ii) Finished goods include goods in transit amounting to ₹ 22.37 lakh (31 March 2018: ₹ 42.12 lakh)

		As at 31 March 2019	As at 31 March 2018
12	**Trade receivables**		
	Related Parties (Refer note 39)		
	- Unsecured, considered good	1,751.89	86.96
	Other trade receivables		
	- Unsecured, considered good	1,787.98	1,735.57
		3,539.87	**1,822.53**
	Less: allowance for credit impaired	-	-
		3,539.87	**1,822.53**

Notes:

(i) The carrying values of trade receivables are considered to be a reasonable approximation of fair values.

(ii) Refer note 45 - Financial risk management for assessment of expected credit losses.

(iii) Trade receivables include ₹ 1751.89 lakh (31 March 2018 ₹ 86.96 lakh) due from related parties. For details refer note 39 - related party disclosures

		As at 31 March 2019	As at 31 March 2018
13	**Cash and cash equivalents**		
	Balances with banks:		
	- in current accounts	10.90	1,003.01
	- deposits with original maturity less than three months (refer note (ii) below)	128.13	89.21
	Cash in hand	0.87	3.07
		139.90	**1,095.29**

The carrying values are a reasonable approximate of their fair values.

WALKER CHANDIOK & CO. LLP * CHARTERED ACCOUNTANTS *

(All amount in ₹ lakh unless otherwise stated)

		As at 31 March 2019	As at 31 March 2018
14	**Other bank balances:**		
	Deposits with original maturity more than three months but less than twelve months	13.58	99.80
		13.58	**99.80**
	Notes:		
(i)	**Bank deposits which are under restriction:** Fixed deposits with banks held as margin money for letter of credits, bank guarantees, working capital facilities and buyers credit	13.58	99.80
(ii)	Bank deposits which are under restriction	13.58	99.80
(iii)	The carrying values are a reasonable approximate of their fair values.		
15	**Loans (Current)**		
	Unsecured, considered good		
	Security deposits	21.56	25.54
		21.56	**25.54**
	The carrying values are considered to be a reasonable approximation of fair values.		
16	**Other financial assets (Current)**		
	Insurance claim receivable (refer note 36.1)	-	50.29
	Other receivable	0.74	-
		0.74	**50.29**
	The carrying values are considered to be a reasonable approximation of fair values.		
17	**Other current assets**		
	Advances to suppliers	207.95	55.90
	Balances with statutory authorities	465.24	1,208.87
	Staff advances	41.12	56.66
	Prepaid expenses	14.08	25.40
		728.39	**1,346.83**

WALKER CHANDIOK & CO. LLP ★ CHARTERED ACCOUNTANTS ★

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	As at 31 March 2019	As at 31 March 2018
18 Equity share capital		
Authorised share capital		
5,000,000 (31 March 2018 : 5,000,000) Equity shares of ₹ 10 each	500.00	500.00
	500.00	**500.00**
Issued, subscribed and fully paid up equity share capital		
3,642,100 (31 March 2018 : 3,642,100) Equity shares of ₹ 10 each	364.21	364.21
	364.21	**364.21**

(i) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian ₹.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	31 March 2019		31 March 2018	
	No. of shares	(₹ lakh)	No. of shares	(₹ lakh)
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	3,642,100	364.21	3,642,100	364.21
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	**3,642,100**	**364.21**	**3,642,100**	**364**

(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
Amber Enterprises India Limited *(formerly Amber Enterprises (India) Private Limited)*	3,642,000	99.997%	3,642,000	99.997%

(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 *(formerly Amber Enterprises (India) Private Limited)*	3,642,000	99.997%	3,642,000	99.997%

v) The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.

19 Other equity	As at 31 March 2019	As at 31 March 2018
Securities premium reserve		
Balance at the beginning of the year	0.05	0.05
Changes during the year	-	-
Balance at the end of the year	**0.05**	**0.05**
General reserve		
Balance at the beginning of the year	54.48	54.48
Changes during the year	-	-
Balance at the end of the year	**54.48**	**54.48**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	2,114.27	2,209.54
Add : Loss for the year	(160.91)	(103.34)
Add : Other comprehensive income		
- Re-measurement (losses)/gains on defined benefit obligations	(2.48)	12.06
- Income tax relating to above item	1.16	(3.99)
Balance at the end of the year	**1,952.04**	**2,114.27**
Total other equity	**2,006.57**	**2,168.80**

Nature and purpose of other reserves

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.

General reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another.

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WALKER CHANDIOK & CO. LLP ★ CHARTERED ACCOUNTANTS ★

		As at 31 March 2019	As at 31 March 2018
20	**Long-term borrowings**		
	Secured		
	Term loan [refer note (i)]	541.02	724.95
	Vehicle loan [refer note (i)]	-	4.58
		541.02	**729.53**

Notes:

(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 RBL Bank Limited amounting to ₹ 352.21 lakh (31 March 2018: ₹ 507.45 lakh) carrying interest rate @ 9.75% p.a. (31 March 2018: 10.75% p.a.) is repayable in 9 quarterly installments with last instalment payable on 30 June 2021.

(b) Term loan from Yes Bank amounting to ₹ 375.00 lakh (31 March 2018: ₹ 475.00 lakh) carrying interest rate @ 10.45% p.a. (31 March 2018: 9.45%) is repayable in 15 quarterly installments with last instalment payable on 11 December 2022.

(c) Term loan from RBL Bank Limited amounting to ₹ 113.37 lakh (31 March 2018: ₹ Nil) carrying interest rate @ 9.95% p.a. (31 March 2018: Nil) is repayable in 11 quarterly installments with last instalment payable on 30 June 2021.

Above loans are secured by first pari passu charge on all the present and future current assets of the company, first pari passu charge on moveable property, plant and equipment of the Company (excluding those which are under exclusive hypothecated with other Banks/FIs), first pari passu charge on Plot No. 92, Sector-6, Faridabad in the name of the Company and first pari passu charge on Plot No. 99, Sector-6, Faridabad in the name of Amber Enterprises India Limited (formerly Amber Enterprises (India) Private Limited). The term loan is also secured by Corporate guarantees of Amber Enterprises India Limited (formerly Amber Enterprises (India) Private Limited) and personal guarantees of Mr. Jasbir Singh (Director) and Mr. Daljit Singh (Managing Director) of the Company.

Vehicle loans

(d) Vehicle loan from Toyota Financial Private Limited amounting to ₹ 4.71 lakh (31 March 2018: ₹ 11.31 lakh) carrying interest rate @ 9.25 % p.a. (31 March 2018: 9.25% p.a.) is repayable in 8 monthly instalments with last instalment payable on 10 November 2019.

Above loans are secured against hypothecation of specific vehicles purchased out of the proceeds of these loans.

(ii) Refer note 44 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 45 - 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 at 01 April 2017	**312.32**	**1,982.27**	**2,294.59**
Cash flows:			
Proceeds from borrowings	849.99	763.85	1,613.84
Repayment of borrowings	(166.95)	-	(166.95)
Non-cash:			
Foreign currency fluctuation impact	-	9.46	9.46
Impact of borrowings measured at amortised cost	(1.60)	(1.22)	(2.82)
As at 31 March 2018	**993.76**	**2,754.36**	**3,748.12**
Cash flows:			
Proceeds from borrowings	126.00	584.55	710.55
Repayment of borrowings	(273.15)	-	(273.15)
Non-cash:			
Foreign currency fluctuation impact	-	13.26	13.26
Impact of borrowings measured at amortised cost	(1.33)	-	(1.33)
As at 31 March 2019	**845.28**	**3,352.17**	**4,197.45**

21	**Long-term provisions**		
	Provision for employee benefits*		
	Provision for gratuity (unfunded)	40.30	35.69
	Provision for compensated absences	27.03	29.26
		67.33	64.95

*For disclosures related to provision for employee benefits, refer note 43 - Employee benefit obligations.

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(All amount in ₹ lakh unless otherwise stated)

		As at 31 March 2019	As at 31 March 2018
22	**Deferred tax liabilities (net)**		
	Deferred tax liability arising on account of :		
	Property, plant and equipment	318.83	368.24
	Financial assets and liabilities measured at amortised cost	-	1.41
	Tax impact on income	0.74	-
	Gross deferred tax liability	**319.57**	**369.65**
	Deferred tax asset arising on account of :		
	Provision for gratuity	11.04	12.09
	Provision for compensated absences	7.50	10.10
	Unabsorbed depreciation	214.52	187.65
	Tax impact of other expenses charged in the financial statement but allowable as deductions in future years under income tax	7.21	8.28
		240.27	**218.12**
	Net deferred tax liabilities	**79.30**	**151.53**

Notes:

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

Particulars	As at 31 March 2018	Recognised in other comprehensive income/ equity	Recognised statement of profit and loss	As at 31 March 2019
Deferred tax liability arising on account of :				
Property, plant and equipment	368.24	-	(49.41)	318.83
Financial assets and liabilities measured at amortised cost	1.41	-	(1.41)	-
Tax impact on income	-	-	0.74	0.74
	369.65	**-**	**(50.08)**	**319.57**
Deferred tax asset arising on account of :				
Provision for gratuity	12.09	1.16	(2.21)	11.04
Provision for compensated absences	10.10	-	(2.60)	7.50
Unabsorbed depreciation	187.65	-	26.87	214.52
Tax impact of other expenses charged in the financial statement but allowable as deductions in future years under income tax	8.28	-	(1.07)	7.21
	218.12	**1.16**	**20.99**	**240.27**
Net deferred tax liabilities	**151.53**	**(1.16)**	**(71.07)**	**79.30**

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

Particulars	As at 1 April 2017	Recognised in other comprehensive income/ equity	Recognised statement of profit and loss	As at 31 March 2018
Deferred tax liability arising on account of :				
Property, plant and equipment	315.88	-	52.36	368.24
Financial assets and liabilities measured at amortised cost	2.23	-	(0.82)	1.41
Tax impact on income	34.86	-	(34.86)	-
	352.97	**-**	**16.68**	**369.65**
Deferred tax asset arising on account of :				
Provision for gratuity	15.17	(3.99)	0.91	12.09
Provision for compensated absences	16.33	-	(6.23)	10.10
Unabsorbed depreciation	136.84	-	50.81	187.65
Tax impact of other expenses charged in the financial statement but allowable as deductions in future years under income tax	8.28	-	-	8.28
Provision for doubtful debts	2.92	-	(2.92)	-
Others	1.82	-	(1.82)	-
	181.36	**(3.99)**	**40.75**	**218.12**
Net deferred tax liabilities	**171.61**	**3.99**	**(24.07)**	**151.53**

WALKER CHANDIOK & CO. LLP ★ CHARTERED ACCOUNTANTS ★

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		As at 31 March 2019	As at 31 March 2018
23	**Short-term borrowings**		
	Secured		
	From banks:		
	Working capital demand loan	1,140.00	2,000.00
	Buyers credit facility	-	44.61
	Packing credit facility	-	384.53
	Cash credit facility	1,571.74	210.34
	Domestic bill discounting facility	640.43	114.88
		3,352.17	2,754.36

Security disclosure for short-term borrowings outstanding as at 31 March 2019 and 31 March 2018

Working capital demand loans, cash credit facilities and domestic bill discounting facility are secured by first pari passu charge on all the present and future current assets of the Company, first pari passu charge on moveable property, plant and equipment of the Company (excluding those which are under exclusive hypothecated with other Banks/FIs), first pari passu charge on Plot No. 92, Sector-6, Faridabad in the name of the Company and first pari passu charge on Plot No. 99, Sector-6, Faridabad in the name of Amber Enterprises India Limited. The loans are also secured by corporate guarantees of Amber Enterprises India Limited and personal guarantees of Mr. Jasbir Singh (Director) and Mr. Daljit Singh (Managing Director) of the Company. These facilities carry interest rate ranging from 9.00% p.a. to 10.40% p.a. (31 March 2018: from LIBOR + 0.75% i.e. 2.49% p.a. to 12.00% p.a.)

		As at 31 March 2019	As at 31 March 2018
24	**Trade payables**		
	Dues of micro enterprises and small enterprises [refer note (i) below]	-	-
	Dues of creditors other than micro enterprises *	5,081.66	4,664.43
		5,081.66	4,664.43

*includes ₹ 309.76 lakh (31 March 2018: ₹ 168.61 lakh) payable to related parties. For details refer note 39.

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

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:

	31 March 2019	31 March 2018
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period;Interest accrued and due thereon remaining unpaid	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting period; and	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible	Nil	Nil

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

		As at 31 March 2019	As at 31 March 2018
25	**Other financial liabilities**		
	Current maturities of long-term debts (refer note 20(i))		
	Term loan	299.50	257.50
	Vehicle loan	4.77	6.73
	Interest accrued on borrowings	9.22	12.45
	Creditors for capital goods	21.04	16.92
	Expenses payables	-	518.01
	Employee related payables	95.69	71.58
	Other accrued liabilities	26.85	19.23
		457.07	902.42

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

		As at 31 March 2019	As at 31 March 2018
26	**Other current liabilities**		
	Advance from customers	26.23	528.43
	Payable to statutory authorities	14.64	18.72
		40.87	547.15
27	**Short-term provisions**		
	Provision for employee benefits		
	Provision for gratuity (unfunded)	2.18	0.87
	Provision for compensated absences	1.82	1.28
		4.00	2.15

For disclosures related to provision for employee benefits, refer note 43 - Employee benefit obligations.

		As at 31 March 2019	As at 31 March 2018
28	**Current tax liabilities (net)**		
	Provision for income tax [net]	104.57	66.29
		104.57	66.29

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

PICL (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
29	**Revenue from operations**		
	Sale of products		
	Domestic	11,679.82	11,135.30
	Export	1,501.21	3,072.57
	Other operating revenues		
	Scrap sales	462.44	419.50
	Export incentive	57.27	119.86
		13,700.74	**14,747.23**
30	**Other income**		
	Interest income	8.99	9.71
	Foreign exchange fluctuation (net)	58.50	30.50
	Provision for doubtful debts written back	-	8.83
	Freight subsidy against export	-	20.00
	Liability written back	23.17	7.06
	Miscellaneous receipts	0.74	3.92
		91.40	**80.02**
31	**Cost of materials consumed**		
	Opening stock	1,806.23	1,435.62
	Add: Purchases made during the year	10,051.16	11,569.56
	Less: Closing stock	1,567.91	1,806.23
		10,289.48	**11,198.95**
32	**Changes in inventories of finished goods and work-in-progress**		
	Opening stock		
	Finished goods	154.55	260.94
	Work-in-progress	988.29	561.48
		1,142.84	**822.42**
	Closing stock		
	Finished goods *	196.56	154.55
	Work-in-progress	575.34	988.29
		771.90	**1,142.84**
	Change in stock	370.94	(320.42)
	Change in excise duty on closing stock	-	(22.78)
		370.94	**(343.20)**

* Finished goods include goods in transit amounting to ₹ 22.37 lakh (31 March 2018: ₹ 42.12 lakh)

33	**Employee benefits expense**		
	Salary, wages and bonus	510.00	504.33
	Contribution to provident and other funds	30.92	48.56
	Staff welfare expenses	26.01	26.73
		566.93	**579.62**

For disclosures related to provision for employee benefits, refer note 43 - Employee benefit obligations.

34	**Finance costs**		
	Interest on:		
	- Long term borrowing		
	Term loan	95.25	70.37
	Vehicle loan	0.71	1.38
	- Short term borrowing		
	Foreign currency loan	-	10.15
	Working capital demand loan	144.19	169.01
	Cash credit	110.60	92.79
	Packing credit facility	2.45	5.06
	Foreign exchange fluctuation (net)	13.26	58.71
	Letter of credit and buyers credit	12.82	17.97
	- Other		
	Loan processing fee	5.98	8.29
	Bill discounting charges	115.75	133.27
	Interest on income tax	0.55	0.26
	Interest on others	1.32	15.66
		502.88	582.92
	Less: borrowing costs capitalised [refer note 5(i)]	(18.65)	(18.86)
		484.23	**564.06**

WALKER CHANDIOK & CO. LLP * CHARTERED ACCOUNTANTS *

(All amount in ₹ lakh unless otherwise stated)

		For the year ended 31 March 2019	For the year ended 31 March 2018
35	**Depreciation and amortisation expense**		
	Depreciation (also refer note 4)	362.73	327.50
	Amortisation (also refer note 6)	124.67	101.54
		487.40	429.04
36	**Other expenses**		
	Job work charges	328.55	416.09
	Contractual labour charges	685.03	710.80
	Power and fuel charges	97.60	72.98
	Clearing and forwarding expense	24.75	48.88
	Freight outward	165.80	257.72
	Legal and professional charges (refer note (i))	37.73	64.58
	Travelling and conveyance expense	37.81	41.80
	Repairs and maintenance		
	- Plant and machinery	16.42	20.06
	- Buildings	7.81	1.90
	- Others	12.29	17.28
	Insurance	7.53	7.97
	Rent		
	- Plant and machinery	12.22	6.75
	- Buildings	146.85	79.30
	Fees, rates and taxes	12.95	13.47
	Communication expenses	12.76	27.38
	Donation	0.25	0.28
	Corporate social responsibility expenses (refer note 48)	-	12.77
	Advance / balances written off	4.76	117.60
	Bad debts	18.90	38.32
	Vehicle running expenses	10.50	11.53
	Director sitting fees	2.50	2.10
	Printing and stationary	5.80	5.68
	Business promotion expenses	12.56	8.93
	Loss by fire	-	37.51
	Loss on account of unapproved product development	58.91	-
	Impairment loss on property, plant and equipment and capital work-in progress	-	27.63
	Security charges	45.36	23.49
	Bank charges	9.71	8.89
	Miscellaneous expenses	49.79	21.61
		1,825.14	2,103.30

i) Payments to the auditor:

	For the year ended 31 March 2019	For the year ended 31 March 2018
For statutory audit and limited review	13.00	8.50
Reimbursement of expenses	1.03	1.18
Total	14.03	9.68

WALKER CHANDIOK & CO. LLP ★ CHARTERED ACCOUNTANTS ★

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37 Earnings per share

	For the year ended 31 March 2019	For the year ended 31 March 2018
Loss after tax	(160.91)	(103.34)
Weighted average number of equity shares	3,642,100	3,642,100
Basic and diluted earning per share (₹)	(4.42)	(2.84)
Nominal value per equity share (₹)	10.00	10.00

38 Contingent liabilities and commitments^

	As at 31 March 2019	As at 31 March 2018
(i) Contingent liabilities		
a) Income tax demands		
Assessment Year- 2008-09*	-	0.12
Assessment Year- 2009-10*	-	0.33
Assessment Year- 2010-11*	-	0.14
Assessment Year- 2011-12*	1.37	0.14
Assessment Year- 2012-13*	0.24	1.40
Assessment Year- 2013-14*	-	0.31
Assessment Year- 2014-15*	-	0.02
Assessment Year- 2015-16*	-	0.03
Assessment Year- 2016-17*	-	-
Assessment Year- 2017-18*	-	0.34
Assessment Year- 2018-19*	-	0.03
b) Others		
Bonus for financial year 2014-15**	9.78	9.78

* The Company has been intimated of demand aggregating ₹ 1.61 lakh (31 March 2018: ₹ 2.86 lakh) for various assessment years (as mentioned above) on account of non/ late filing of TDS returns, and incorrect submissions of data with income tax authorities. Based on the advice from independent tax experts and development on the appeals, the Company is confident that the additional tax so demanded will not be sustained on the completion of appeallate proceedings and accordingly, pending the decisions by the appeallate authorities, no provision has been made in these financial statements.

** The Payment of Bonus (Amendment) Act, 2015 dated 31 December 2015 (which was made effective from 01 April 2014) revised the thresholds for coverage of employee eligible for Bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance of the stay granted by various High Courts and based on legal opinion obtained by the management, the Company has not recognised any differential amount of bonus for the period 01 April 2014 to 31 March 2015 (₹ 9.78 lakh) and accordingly has recognised the expense as per the amended provisions w.e.f. 01 April 2015 and onwards.

Interest on certain claims may be payable as and when the outcome of the related claim is determined.

The Company has certain litigations and based on legal advice of in-house legal team, the management believes that no material liability will devolve on the Company in respect of these litigations.

^ 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.

(ii) Commitments
The Company has the following commitments :

	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	7.22	10.36
	7.22	10.36

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(All amount in ₹ lakh unless otherwise stated)

39 Related party disclosures

A. Names of the related parties and related party relationship

I. Holding Company — Amber Enterprises India Limited

II. Entities over which significant influence is exercised by the company /key management personnel (either individually or with others) — Appserve Appliances Pvt.Ltd.; IL JIN Electronics (India) Private Limited

III. Key management personnel (KMP)
Mr. Daljit Singh (Managing Director)
Mr. Jasbir Singh (Director)
Ms. Amandeep Kaur (Director)
Mr. Girish Kumar Ahuja (Independent Director till 25 September 2018)
Ms. Sudha Pillai (Independent Director till 25 September 2018)
Mr. Satwinder Singh (Independent Director till 25 September 2018)
Ms. Mania Sarkar (Company Secretary) (till 31 October 2018)

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

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:**						
a)	Sale of goods	4,149.81	3,696.80	-	-	-	-
b)	Sale of MEIS license	-	34.07	-	-	-	-
c)	Purchases	91.92	108.64	-	-	-	-
d)	Rent paid	36.00	36.00	-	-	-	-
e)	Repair and Maintenance Services received						
	Appserve Appliance Private Limited	-	-	0.26	-	-	-
	IL JIN Electronics (India) Private Limited	-	-	0.09	-	-	-
f)	KMP remuneration						
	Director sitting fees to independent directors	-	-	-	-	2.50	2.10
	Post-employment benefits	-	-	-	-	-	0.14
	Salary paid*	-	-	-	-	72.16	72.34
	*Name of KMP						
	Mr. Daljit Singh	-	-	-	-	40.20	40.20
	Mr. Jasbir Singh	-	-	-	-	30.00	30.00
	Ms. Mania Sarkar	-	-	-	-	1.96	2.14
g)	Personal guarantee taken from KMP's with respect to term loan and working capital loan						
	Mr. Jasbir Singh	-	-	-	-	900.00	3,200.00
	Mr. Daljit Singh	-	-	-	-	900.00	3,200.00
h)	Personal guarantee surrender to KMP's with respect to term loan and working capital loan						
	Mr. Jasbir Singh	-	-	-	-	50.00	2,700.00
	Mr. Daljit Singh	-	-	-	-	50.00	2,700.00
i)	Corporate guarantee taken from Holding Company with respect to term loan and working capital	900.00	3,200.00	-	-	-	-
j)	Corporate guarantee surrender to Holding Company with respect to working capital	50.00	2,700.00	-	-	-	-

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(All amount in ₹ lakh unless otherwise stated)

	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**						
a)	**Trade receivables**	1,751.89	86.96	-	-	-	-
b)	**Trade payables**					-	-
	Amber Enterprises India Limited	309.64	168.61	-	-	-	-
	IL JIN Electronics (India) Private Limited	-	-	0.12			
c)	**Advance from customer**	-	520.01	-	-	-	-
d)	**Corporate guarantee taken from Holding Company with respect to term loan and working capital***	6,600.00	5,750.00	-	-	-	-
e)	**Personal guarantee taken from KMP's with respect to term loan and working capital loan***						
	Mr. Jasbir Singh	-	-	-	-	6,600.00	5,750.00
	Mr. Daljit Singh	-	-	-	-	6,600.00	5,750.00
f)	**Salary payable**						
	Mr. Daljit Singh	-	-	-	-	2.19	-
	Mr. Jasbir Singh	-	-	-	-	3.27	-
	Ms. Mania Sarkar	-	-	-	-	-	0.23

* Guarantees taken by the Company includes personal guarantees of Mr. Jasbir Singh and Mr. Daljit Singh and corporate guarantee from Holding company for working capital borrowings and term loans. The original sanctioned limits of working capital borrowings and outstanding balance of term loans by the banks has been disclosed above.

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	For the year ended 31 March 2019	For the year ended 31 March 2018
40 Tax expense		
Income tax expense recognised in statement of profit and loss		
Current tax expense	-	-
Deferred tax	(71.07)	(24.07)
	(71.07)	(24.07)

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 26.00% 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
Loss before tax	(231.98)	(127.41)
Income tax using the Company's domestic tax rate *	26.00%	33.06%
Expected tax expense [A]	**(60.30)**	**(42.13)**
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Non-deductible expenses/non-taxable income	(10.99)	19.30
Others	0.22	(1.24)
Total adjustments [B]	**(10.77)**	**18.06**
Actual tax expense [C=A+B]	**(71.07)**	**(24.07)**

* Domestic tax rate applicable to the Company has been computed as follows		
Base tax rate	25%	30%
Surcharge (% of tax)	0%	7%
Cess (% of tax)	4%	3%
Applicable rate	26.00%	33.06%

41 Details of assets pledged/ hypothecated as security:

The carrying amounts of assets pledged/ hypothecated as security for long-term and short-term borrowings are:

	As at 31 March 2018	As at 31 March 2018
Current assets		
Inventories	2,400.73	2,949.07
Trade receivables	3,539.87	1,822.53
Cash and cash equivalents and other bank balances	153.48	1,195.09
Loans, other financial and other assets	750.69	1,422.66
Non-current assets		
Property, plant and equipment	3,866.54	3,480.23

42 Leases

The Company has entered into operating leases for its offices, factory, machinery and guest houses that are renewable on a periodic basis and are cancellable at Company's option. Total lease payments recognised in the statement of profit and loss with respect to aforementioned premises is ₹ 159.07 lakh (31 March 2018: ₹ 86.05 lakh).

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(All amount in ₹ lakh unless otherwise stated)

43 Employee benefit obligations

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non-current	Current	Non-current
Gratuity	2.18	40.30	0.87	35.69
Compensated absences	1.82	27.03	1.28	29.26
Total	**3.99**	**67.32**	**2.15**	**64.95**

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	7.45	7.76
Interest cost	2.83	3.56
Net impact on profit (before tax)	**10.28**	**11.32**
Actuarial loss/(gain) recognised during the year	2.48	(12.06)
Amount recognised in total comprehensive income	**12.76**	**(0.74)**

(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	36.56	45.90
Current service cost	7.45	7.76
Interest cost	2.83	3.56
Benefits paid	(6.85)	(8.60)
Actuarial loss/(gain)	2.48	(12.06)
Present value of defined benefit obligation as at the end of the year	42.47	36.56

(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	1.16	(0.73)
Actuarial (gain)/loss from experience adjustment	1.32	(11.33)
Total actuarial (gain)/loss	2.48	(12.06)

(iv) Actuarial assumptions

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	7.75 % per annum	7.75 % per annum
Rate of increase in compensation levels	6.00 % per annum	6.00 % per annum
Expected rate of return on plan assets	0.00%	0.00%
Retirement age	58 Years	58 Years

Notes:

a) 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.

b) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c) The weighted average duration of defined benefit obligation is 18.00 years (31 March 2018 : 18.00 years)

(v) Sensitivity analysis for gratuity liability

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Impact of change in discount rate		
Present value of obligation at the end of the year	42.47	36.56
- Impact due to increase of 1.00 %	38.67	32.53
- Impact due to decrease of 1.00 %	46.90	41.36
Impact of change in salary increase		
Present value of obligation at the end of the year	42.47	36.56
- Impact due to increase of 1 %	46.94	41.40
- Impact due to decrease of 1 %	38.58	32.43

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 defind 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.

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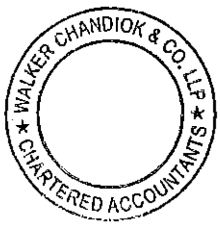
(vi) Maturity profile of defined benefit obligation

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Within next 12 months	2.17	1.03
Between 1-5 years	11.81	6.93
Beyond 5 years	37.90	38.80

(vii) The expected contribution to the plan for next annual reporting period amounts to ₹ 9.90 lakh (previous year - ₹ 9.68 lakh).



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(All amount in ₹ lakh unless otherwise stated)

44 **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.

(iii) **Fair value of financial assets and liabilities 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	29.53	29.56	24.03	24.52
Total financial assets		29.53	29.56	24.03	24.52
Financial liabilities					
Borrowings	Level 3	854.51	854.51	1,006.21	1,006.21
Total financial liabilities		854.51	854.51	1,006.21	1,006.21

The management assessed that fair values of current loans, current financial assets, cash and cash equivalents, other bank balances, trade receivables, short term borrowings, trade payables and other current financial liabilities approximate their respective 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 fixed interest-bearing 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 non-performance risk as at 31 March 2019 was assessed to be insignificant.

(iii) All the other long term borrowing facilities except vehicle loans (immaterial) availed by the Company are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

45 **Financial risk management**

(i) **Financial instruments by category**

Particulars	As at 31 March 2019			As at 31 March 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Loans	-	-	51.09	-	-	49.57
Trade receivables	-	-	3,539.87	-	-	1,822.53
Cash and cash equivalents	-	-	139.90	-	-	1,095.29
Other bank balances	-	-	13.58	-	-	99.80
Other financial assets	-	-	0.74	-	-	50.29
Total	-	-	3,745.18	-	-	3,117.48
Financial liabilities						
Borrowings	-	-	4,206.67	-	-	3,760.57
Trade payable	-	-	5,081.66	-	-	4,664.43
Other financial liabilities	-	-	143.58	-	-	625.74
Total	-	-	9,431.92	-	-	9,050.74

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	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	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.

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(All amount in ₹ lakh unless otherwise stated)

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 & 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	51.09	49.57
	Other financial assets	0.74	50.29
	Cash and cash equivalents	139.90	1,095.29
	Other bank balances	13.58	99.80
	Trade receivables	3,539.87	1,822.53

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 draws to apply consistently to entire population For such financial assets, the Company's policy is to provides 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)	1,703.59	-
- Expiring beyond one year (bank loans)	-	-
	1,703.59	-

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

b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

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(All amount in ₹ lakh unless otherwise stated)

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
Non-derivative					
Borrowings including interest	3,737.86	599.98	-	-	4,337.84
Trade payable	5,081.66	-	-	-	5,081.66
Other financial liabilities	143.58	-	-	-	143.58
Total	8,963.10	599.98	-	-	9,563.08

31 March 2018	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Non-derivative					
Borrowings including interest	3,109.69	775.23	78.83	-	3,963.75
Trade payable	4,664.43	-	-	-	4,664.43
Other financial liabilities	638.19	-	-	-	638.19
Total	8,412.31	775.23	78.83	-	9,266.37

C) Market Risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Foreign currency risk exposure in INR:

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

Particulars	31 March 2019	31 March 2018
Financial assets		
Trade receivables	261.73	543.43
Financial liabilities		
Trade payables	359.71	181.10
Short term borrowings	-	422.35
Net exposure to foreign currency risk (liabilities)	(97.98)	(60.02)

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
USD sensitivity		
INR/USD- increase by 100 bps (31 March 2018 100 bps)*	(0.98)	(0.60)
INR/USD- decrease by 100 bps (31 March 2018 100 bps)*	0.98	0.60

** Holding all other variables constant*

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. 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	4,192.68	3,736.81
Fixed rate borrowing	4.77	11.31
Total borrowings	4,197.45	3,748.12
Amount disclosed under other current financial liabilites	304.27	264.23
Amount dislosed under borrowings	3,893.18	3,483.89

Sensitivity

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

Particulars	31 March 2019	31 March 2018
Interest sensitivity*		
Interest rates – increase by 100 bps (31 March 2018 100 bps)*	41.93	37.37
Interest rates – decrease by 100 bps (31 March 2018 100 bps)*	(41.93)	(37.37)

** 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.

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(All amount in ₹ lakh unless otherwise stated)

46 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*	845.29	993.76
Total equity	2,370.78	2,533.01
Net debt to equity ratio	**0.36**	**0.39**

*'*Total borrowings doesn't includes short-term borrowings.*

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PICL (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)

47 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 material adjustments to the Company's net income.

(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**
Revenue by geography			
Domestic	11,679.82	519.71	12,199.53
Export	1,501.21	-	1,501.21
Total	**13,181.03**	**519.71**	**13,700.74**
Revenue by time			
Revenue recognised at point in time			13,700.74
Revenue recognised over time			-
Total			**13,700.74**

* Scrap sales and export incentive have been included in domestic revenue

(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. Same has been disclosed as below:

Description	**Year ended 31 March 2019**
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	527.89
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-
Total	**527.89**

(c) Assets and liabilities related to contracts with customers

Description	**As at 31 March 2019**		**As at 31 March 2018**	
	Non-current	**Current**	**Non-current**	**Current**
Contract liabilities related to sale of goods				
Advance from customers	-	26.23	-	528.43

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

Description	**Year ended 31 March 2019**
Contract price	13,730.27
Less: Discount, rebates, credits etc.	(29.53)
Revenue from operations as per Statement of Profit and Loss	13,700.74

PICL (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)

47 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 material adjustments to the Company's net income.

(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
Revenue by geography			
Domestic	11,679.82	519.71	12,199.53
Export	1,501.21	-	1,501.21
Total	**13,181.03**	**519.71**	**13,700.74**
Revenue by time			
Revenue recognised at point in time			13,700.74
Revenue recognised over time			-
Total			**13,700.74**

* Scrap sales and export incentive have been included in domestic revenue

(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. Same has been disclosed as below:

Description	Year ended 31 March 2019
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	527.89
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-
Total	527.89

(c) Assets and liabilities related to contracts with customers

Description	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	26.23	-	528.43

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

Description	Year ended 31 March 2019
Contract price	13,730.27
Less: Discount, rebates, credits etc.	(29.53)
Revenue from operations as per Statement of Profit and Loss	**13,700.74**

WALKER CHANDIOK & CO. LLP * CHARTERED ACCOUNTANTS *

48 Corporate social responsibility expenses

In accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, an amount of 2% of the average net profits of the Company made during the three immediately preceding financial years needs to be spent on CSR projects/activities. At the board meeting held on 6 August 2018, the Board approved the CSR budget amounting of ₹2.63 lakh (31 March 2018: ₹ 12.36 lakh) on recommendation of CSR Committee to be spent in the financial year 2018-19. However, no amount has been spent on CSR projects/activities in the financial year 2018-19 against the approved budget of ₹ 2.63 lakh.

49 Segment information

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 three external customers amounting to ₹ 8,172.25 lakh (31 March 2018: ₹ 4,978.54 lakh from two external customers).

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

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

Sumit Mahajan
Partner
(Membership No. 504822)

Place: Gurugram
Date: 22 May 2019

WALKER CHANDIOK & CO. LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of Board of Directors of
PICL (India) Private Limited

Daljit Singh
Managing Director
(DIN No.: 02023964)

Place: Gurugram
Date: 22 May 2019

Jasbir Singh
Director
(DIN: 00259632)

Place: Gurugram
Date: 22 May 2019