MSSL WIRING SYSTEM INC
Management Financial Statements
2018-19

MSSL WIRING SYSTEM INC
Balance sheet

(All amounts in USD'000, unless otherwise stated)

	Notes	As At March 31, 2019	As At March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	20,960	20,450
Capital work-in-progress		198	817
Goodwill	4	2,015	2,015
Deferred tax assets (net)	5	1,355	1,567
Non-current tax assets (net)		616	-
Total non-current assets		**25,144**	**24,849**
Current assets			
Inventories	6	34,296	30,770
Financial assets			
i. Trade receivables	7	50,833	42,299
ii. Cash and cash equivalents	8	2,192	4,360
iii. Loans	9	9,526	7,909
iv. Other financial assets	10	1,652	1,727
Other current assets	11	1,408	2,285
Total current assets		**99,907**	**89,350**
Total assets		**125,051**	**114,199**
EQUITY AND LIABILITIES			
Equity			
Equity share capital		0	0
Share application money pending for allotments		24,100	34,100
Other equity			
Reserves and surplus	13	32,425	10,529
Other reserves	13	1,244	1,323
Total equity		**57,769**	**45,952**
Liabilities			
Current liabilities			
Financial Liabilities			
i. Borrowings	14	14,000	19,500
ii. Trade payables	15	50,141	42,745
iii. Other financial liabilities	16	2,661	5,217
Provisions	17	479	493
Other current liabilities	18	1	75
Non-Current tax liabilities (net)		-	217
Total current liabilities		**67,282**	**68,247**
Total equity and liabilities		**125,051**	**114,199**
Summary of significant accounting policies	2		

The above balance sheet should be read in conjunction with the accompanying notes

For and on behalf of the Board

G.N. Gauba
Director

MSSL WIRING SYSTEM INC
Statement of profit and loss

(All amounts in USD'000, unless otherwise stated)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
Revenue from operations	19	263,538	270,199
Other income	20	2,203	1,317
Total income		**265,741**	**271,516**
Expenses			
Cost of materials consumed	21	121,940	159,880
Change in inventories of finished goods, work-in-progress and stock in trade	22	(2,199)	(4,464)
Employee benefit expense	23	101,918	89,566
Depreciation and amortisation expense		3,331	3,403
Finance costs	24	610	520
Other expenses	25	12,158	11,248
Total expenses		**237,758**	**260,153**
Profit before tax		**27,983**	**11,363**
Tax expenses			
Current tax	26	5,875	217
Deferred tax expense/ (credit)	26	212	(1,567)
Total tax expense		**6,087**	**(1,350)**
Profit for the year		**21,896**	**12,713**
Other comprehensive income			
Items to be reclassified to profit or loss			
Deferred gain / (losses) on cash flow hedges (net of tax)		(79)	946
Other comprehensive income for the year, net of tax		**(79)**	**946**
Total comprehensive income for the year, net of tax		**21,817**	**13,659**
Summary of significant accounting policies	2		

The above statement of profit and loss should be read in conjunction with the accompanying notes

For and on behalf of the Board

G.N. Gauba
Director

MSSL WIRING SYSTEM INC
Statement of changes in equity

(All amounts in USD'000, unless otherwise stated)

A. Equity share capital	**Notes**	**Share capital**	**Share application money pending allotment**
As at April 01, 2017		0	34,100
As at March 31, 2018		**0**	**34,100**
Less: Amount refunded to share holder of the company		-	10,000
As at March 31, 2019		**0**	**24,100**

B. Other equity	**Notes**	**Reserves and Surplus**	**Items of OCI**	**Total attributable to Owners**
		Retained Earnings	**Cash flow hedging reserve**	
Balance as at April 01, 2017		(2,184)	377	**(1,807)**
Profit for the year		12,713	-	**12,713**
Other comprehensive income		-	946	**946**
Total comprehensive income for the year		12,713	946	**13,659**
Balance at March 31, 2018		**10,529**	**1,323**	**11,852**
Profit for the year		21,896	-	**21,896**
Other comprehensive income		-	(79)	**(79)**
Total comprehensive income for the year		21,896	(79)	**21,817**
Balance at March 31, 2019		**32,425**	**1,244**	**33,669**
Summary of significant accounting policies	2			

The above statement of changes in equity should be read in conjunction with the accompanying notes

For and on behalf of the Board

G.N. Gauba
Director

MSSL WIRING SYSTEM INC
Cash Flow Statement

(All amounts in USD'000, unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities:		
Profit before tax	27,983	11,363
Adjustments for:		
Depreciation and amortisation expense	3,331	3,403
Finance cost	610	520
Provision for warranty	(14)	(92)
Provision for doubtful debt / advances	-	68
Income on reversal of provision	(151)	
Unrealised foreign currency loss/(gain)	(113)	917
Operating profit before working capital changes	**31,646**	**16,179**
Changes in working capital:		
Increase/(decrease) in trade and other payables	5,006	11,348
Increase/(decrease) in other financial liabilities	(245)	1,566
(Increase)/decrease in trade receivables	(8,383)	(12,454)
(Increase)/decrease in inventories	(3,526)	(8,763)
(Increase)/decrease in other receivables	(734)	(1,743)
(Increase)/decrease in other financial assets	75	(1,579)
Cash generated from operations	**23,839**	**4,554**
Taxes (paid) / received	(6,708)	-
Net cash generated from operating activities	**17,131**	**4,554**
B. Cash flow from Investing activities:		
Payments for purchase of property, plant & equipment (including capital work-in-progress)	(3,222)	(4,677)
Net cash (used) in investing activities	**(3,222)**	**(4,677)**
C. Cash flow from financing activities:		
Interest paid	(577)	(494)
Repayment of short term borrowings	(5,500)	-
Return of share application money	(10,000)	-
Net cash (used) in financing activities	**(16,077)**	**(494)**
Net Increase/(Decrease) in Cash & Cash Equivalents	**(2,168)**	**(617)**
Net Cash and Cash equivalents at the beginning of the year	4,360	4,976
Cash and cash equivalents as at year end	**2,192**	**4,359**
Cash and cash equivalents comprise		
Cash on hand	1	1
Balance with Banks	2,191	4,359
Cash and cash equivalents as per Balance Sheet	**2,192**	**4,360**
Summary of significant accounting policies (Note 2)		

The above Cash flow statement has been prepared under the "Indirect Method" as set out in IAS-7, "Statement of Cash Flows".

For and on behalf of the Board

G.N. Gauba
Director

1 Corporate information

MSSL Wiring System Inc (MWSI or 'the Company') was incorporated on May 28, 2014, and domiciled in the United States of America and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The address of its registered office is 8640 East Market Street, Howland Township, Warren OH 44484, United States.

2 Significant accounting policies

(a) Basic of prepration

Compliance with IFRS

The financial statements of the Company have been prepared for the financial year beginning April 01, 2018 and ended on March 31, 2019.

The financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) in force at March 31, 2019.

The financial statements have been prepared on a historical cost basis unless otherwise indicated.

The financial statements are presented in US Dollors (USD) and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

(b) Accounting policies for the financial statements

The general accounting policies of the financial statements are described in this section. Detailed accounting policies and descriptions of decisions based on management's judgement and management's use of estimates are presented later at each item of the financial statements.

(i) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

• Expected to be realised or intended to be sold or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

• It is expected to be settled in normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(ii) Foreign currencies

The Company's functional currency is United States Dollar (USD) and the financial statements are presented in USD.

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.

(iii) Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers is applied by the Company as of April 01, 2018. The Company decided to apply the modified retrospective approach, whereby previous year's financial statements are not restated.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of components

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Revenue from assembly of components

The Company has contracts with customers to assemble, on their behalf, customised components from various parts procured from suppliers identified by the customer. The Company is acting as an agent in these arrangements.

When another party is involved in providing goods or services to its customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Company is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Company's role is only to arrange for another entity to provide the goods or services, then the Company is an agent and will need to record revenue at the net amount that it retains for its agency services.

Principal versus agent considerations

The Company enters into contracts with its customers to assemble, on their behalf, customised components using various parts procured from suppliers identified by the customer. Under these contracts, the Company provides assembly services (i.e., coordinating the procurement of various parts from the identified suppliers and combining or assembling them into components as desired by the customer). The Company determined that it does not control the goods before they are transferred to customers, and it does not have the ability to direct the use of the component or obtain benefits from the component. The following factors indicate that the Company does not control the goods before they are being transferred to customers. Therefore, the Company determined that it is an agent in these contracts.

• The Company is not primarily responsible for fulfilling the promise to provide the specified equipment.
• The Company does not have inventory risk before or after the specified component has been transferred to the customer as it purchases various parts on just-in-time basis and only upon contract of the customer.
• The Company has no discretion in establishing the price for the specified component. The Company's consideration in these contracts is only based on the difference between the maximum purchase price quoted by the customer and the cost of various parts purchased from the suppliers.
• In addition, the Company concluded that it transfers control over its services (i.e., assembling the component from various parts), at a point in time, upon receipt by the customer of the component, because this is when the customer benefits from the Company's agency service.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

(iv) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the United States of America. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(v) Cash and cash equivalents

Cash and cash equivalent includes cash on hand, cash at banks 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 change in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(vi) Inventories

Raw materials, stores and spares, work in progress, stock in trade and finished goods

Raw materials, stores and spares, work in progress, stock in trade and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average cost basis.

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

(vii) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under IFRS 9 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.
Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item affects profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

• Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
• Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(All amounts in USD'000, unless otherwise stated)

(viii) Property, Plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation methods and useful lives

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful lives(years)
Buildings	30 years
Plant & Machinery:	
Plant & Machinery	7.5 years
Die & Moulds	6.17 years
Electric Installation	10 years
Furniture & fixtures	10 years
Computers:	
Server & Networks	3 years
End user devices, such as desktops, laptops, etc.	3 years
Vehicles	4 years

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

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

(ix) Changes in Accounting policies

IFRS 15 Revenue from contracts with customers

During the period ended March 31, 2019, IFRS 15 – Revenue from Contracts with Customers became applicable on the Company. The management has conducted detailed analysis on the implications of implementation of new standard on the revenue. The Company builds all customized products for its customers. In certain contracts, the Company is undertaking higher level assemblies of modules such as Instrument Panels, Cockpits etc. wherein whole/ substantial components are procured from suppliers nominated by customer without taking over any risks on the Company itself. Such a situation has been defined in standard as the Company acting as an agent, and requires recognition of revenues excluding the value of such components.

2.2 Significant accounting policies

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, there are no significant judgements established by the management.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful life of property, plant and equipment and investment properties

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Company.

(All amounts in USD'000, unless otherwise stated)

3 Property, plant and equipment

Particulars	Own Assets							Total
	Freehold Land	Leasehold Improvements	Buildings	Plant & Machinery	Furniture & fixtures	Computers	Vehicles	
Year ended March 31, 2018								
Gross carrying amount								
As at April 01, 2017	890	115	2,010	20,568	275	3,553	14	**27,425**
Additions	-	434	-	5,284	-	-	505	**6,223**
Disposals / other adjustment	-	-	-	-	-	-	-	**-**
Closing gross carrying amount	**890**	**549**	**2,010**	**25,852**	**275**	**3,553**	**519**	**33,648**
Accumulated depreciation and impairment								
As at April 01, 2017	-	53	306	7,092	105	2,225	14	**9,795**
Depreciation charge during the year	-	118	114	2,332	24	815	-	**3,403**
Closing accumulated depreciation	**-**	**171**	**420**	**9,424**	**129**	**3,040**	**14**	**13,198**
Net carrying amount	**890**	**378**	**1,590**	**16,428**	**146**	**513**	**505**	**20,450**
Year ended March 31, 2019								
Gross carrying amount								
As at April 01, 2018	**890**	**549**	**2,010**	**25,852**	**275**	**3,553**	**519**	**33,648**
Additions	-	-	73	3,436	14	-	318	**3,841**
Disposals	-	-	-	-	-	-	-	**-**
Closing gross carrying amount	**890**	**549**	**2,083**	**29,288**	**289**	**3,553**	**837**	**37,489**
Accumulated depreciation								
As at April 01, 2018	-	**171**	**420**	**9,424**	**129**	**3,040**	**14**	**13,198**
Depreciation charge during the year	-	154	115	2,607	25	430	-	**3,331**
Closing accumulated depreciation	**-**	**325**	**535**	**12,031**	**154**	**3,470**	**14**	**16,529**
Net carrying amount	**890**	**224**	**1,548**	**17,257**	**135**	**83**	**823**	**20,960**

(All amounts in USD'000, unless otherwise stated)

4 Intangible assets

	March 31, 2019	March 31, 2018
Goodwill:		
Balance at the beginning of the year	2,015	2,015
Balance at the end of the year	2,015	2,015

5 Deferred tax assets (net)

	Beginning Balance	Charged to profit or loss	Closing balance
Year ended March 31, 2018			
Unabsorbed depreciation and Tax losses	-	1,041	1,041
Property, plant and equipments	-	(1,060)	(1,060)
Provision for Doubtful debts/Advances/Inventory	-	1,354	1,354
Others	-	232	232
	-	1,567	1,567
Year ended March 31, 2019			
Unabsorbed depreciation and Tax losses	1,041	(899)	142
Property, plant and equipments	(1,060)	(892)	(1,952)
Provision for Doubtful debts/Advances/Inventory	1,354	1,721	3,075
Others	232	(142)	90
	1,567	(212)	1,355

Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.

6 Inventories

	March 31, 2019	March 31, 2018
Raw materials	21,663	20,336
Work-in-progress	6,230	6,436
Finished goods	6,403	3,998
	34,296	30,770
Inventory include inventory in transit of:		
Raw materials	1,372	561

7 Trade Receivable

	March 31, 2019	March 31, 2018
Unsecured, considered good		
Other trade receivables	50,450	41,861
Trade receivables from related parties	383	438
Doubt full	889	1,040
	51,722	43,339
Less: Allowances for credit loss	889	1,040
	50,833	42,299

8 Cash and cash equivalents

	March 31, 2019	March 31, 2018
Balances with banks:		
- in current accounts	2,191	4,359
Cash on hand	1	1
	2,192	4,360

9 Loans

	March 31, 2019	March 31, 2018
Unsecured, considered good		
- Loans to related parties	9,526	7,909
	9,526	7,909

10 Other financial assets

	March 31, 2019	March 31, 2018
Security deposits, unsecured considered good	148	148
Derivatives designated as hedge	1,504	1,579
	1,652	1,727

(All amounts in USD'000, unless otherwise stated)

11 Other current Assets

	March 31, 2019	March 31, 2018
Advances recoverable	680	1,637
Prepaid expenses	728	648
	1,408	2,285

12 Equity share capital

	March 31, 2019	March 31, 2018
Issued, subscribed and Paid up:		
100 (March 31, 2018 : 100) Equity Shares of USD 1 each	0	0
	0	**0**

13 Reserves and surplus

(a) Retained earnings

	March 31, 2019	March 31, 2018
Opening balance	10,529	(2,184)
Additions during the year	21,896	12,713
Closing balance	32,425	10,529

(b) Cash flow hedging reserve

	March 31, 2019	March 31, 2018
Opening balance	1,323	377
Additions during the year	(79)	946
Closing balance	1,244	1,323

Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast payments. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss.

14 Current borrowings

	March 31, 2019	March 31, 2018
Secured Loan		
Loans repayable on demand from banks[1]	14,000	19,500
	14,000	19,500

[1]Secured by charge on the inventory and receivables of the Company

15 Trade Payables

	March 31, 2019	March 31, 2018
Total outstanding dues of creditors other than related parties	41,480	27,030
Trade payable to related parties	8,661	15,715
	50,141	42,745

16 Other current financial liabilities

	March 31, 2019	March 31, 2018
- Interest accrued but not due on borrowings	119	87
- Employee benefits payable	221	199
- Accrued expenses	2,321	4,931
Total	2,661	5,217

(All amounts in USD'000, unless otherwise stated)

17 Provisions

	March 31, 2019	March 31, 2018
For warranties	479	493
Total	479	493

Warranty

A provision is recognized for expected warranty claims on products sold during the last year, based on past experience of the level of repairs and returns. Due to the very nature of such costs, it is not possible to estimate the uncertainties relating to the outflows of economic benefits.

18 Other current liabilities

	March 31, 2019	March 31, 2018
Other current liabilities		
Statutory dues payable & other payables	1	75
	1	75

19 Revenue from operations

	For the year ended	
	March 31, 2019	March 31, 2018
Revenue from contract with customers		
Sales of products	247,890	269,315
Sales of services	13,073	-
Other operating revenue	2,575	884
Total revenue from contract with customers	**263,538**	**270,199**

IFRS 15 Revenue from contracts with customers

Effective April 1, 2018, the Company has adopted IFRS 15, 'Revenue from Contracts with Customers', with a modified retrospective approach. The management has evaluated the implications of implementation of new standard on its revenue and has made appropriate adjustments to these results where significant. In certain contracts, it has been assessed that the Group is acting as an agent and therefore, revenue from sales of goods has been recognised excluding the cost of components sold. This change in presentation has resulted in decrease in gross sales by USD 89.92 million and does not have impact on profit before tax. The figures for the corresponding periods have not been restated since not required.

20 Other income

	For the year ended	
	March 31, 2019	March 31, 2018
Foreign exchange gain (net)	2,052	1,317
Provision for Doubtful Debts written back	151	-
Total	2,203	1,317

21 Cost of materials consumed

	For the year ended	
	March 31, 2019	March 31, 2018
Opening stock of raw materials	19,775	15,914
Add : Purchases of raw materials	122,456	163,741
Less: Closing stock of raw materials	(20,291)	(19,775)
Total	121,940	159,880

22 Changes in inventory of finished goods, work in progress and stock in trade

	For the year ended	
	March 31, 2019	March 31, 2018
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	3,998	1,150
Work-in-progress	6,436	4,820
Total A	**10,434**	**5,970**
Stock at the end of the year:		
Finished goods	6,403	3,998
Work-in-progress	6,230	6,436
Total B	**12,633**	**10,434**
(Increase)/ decrease in stocks (A-B)	**(2,199)**	**(4,464)**

(All amounts in USD'000, unless otherwise stated)

23 Employee benefit expense

	For the year ended	
	March 31, 2019	March 31, 2018
Salary, wages & bonus	99,446	87,199
Contribution to employee welfare funds, payroll tax and other taxes	1,580	1,618
Staff welfare expenses	858	690
Others	34	59
Total	101,918	89,566

24 Finance costs

	For the year ended	
	March 31, 2019	March 31, 2018
Interest on borrowings	603	515
Others	7	5
Total	610	520

25 Other expenses

	For the year ended	
	March 31, 2019	March 31, 2018
Electricity, water and fuel	268	247
Repairs and Maintenance:		
Machinery	2,020	1,526
Building	419	327
Others	61	56
Consumption of stores and spare parts	2,046	1,428
Rent	815	747
Rates & taxes	870	1,053
Insurance	194	561
Donation	3	117
Travelling	1,002	822
Freight & forwarding	467	1,324
Provision for doubtful debts/advances	-	68
Auditors fees and expenses	263	155
Legal & professional expenses	137	163
Computer expenses and software charges	73	59
Fees and subscriptions	30	19
Business promotion expenses	416	433
Communication expenses	229	288
Miscellaneous expenses	2,845	1,855
Total	12,158	11,248

26 Income tax

	For the year ended	
	March 31, 2019	March 31, 2018
Current tax	5,875	217
Deferred tax charged / (reversed)	212	(1,567)
	6,087	(1,350)

For and on behalf of the Board

G.N. Gauba
Director