

# ARVIND RAMAN & CO.



## CHARTERED ACCOUNTANTS

**109, JAWAHAR NAGAR, GOREGAON WEST, MUMBAI - 400062**  
**Ph.:022-28724469, 9324387804 E-mail: vijaydhanak@hotmail.com**

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Dowells Cable Accessories Private Limited**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of Dowells Cable Accessories Private Limited (the company), having CIN: U28910MH2015PTC270585 which comprises the Balance Sheet as at 31<sup>st</sup> March 2020 and the Statement of Profit and Loss, including the statement of other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Managements Responsibility for the financial statements**

2. The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, Financial Performance including other comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

### **Auditors Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2020 and its profit including other comprehensive income, its Cash Flows and the Statement of changes in Equity for the year ended on that date.

### **Report on other legal and regulatory requirements**

7. As required by the Companies (Auditor's Report) Order, 2016 (the Order), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
8. As required by section 143(3) of the Act , we report that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the balance sheet, the statement of profit and loss including other comprehensive income, the cash flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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- d. In our opinion, the aforesaid financial statements dealt with by this report are in compliance with the Accounting Standards specified under section 133 of the Companies Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e. On the basis of written representation received from the Directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as director in terms of section 164 (2) of the Companies Act, 2013.
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which have any impact on its financial position in its financial statements.
  - The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M/s Arvind Raman & Co.**  
**Chartered Accountants**  
**Firm Registration Number 100594W**

Vijay Mathuradas Dhanak Digitally signed by Vijay Mathuradas  
Dhanak  
Date: 2020.05.27 18:41:13 +05'30'

**Partner**  
**Registration Number: 38119**  
**Place of signature: Mumbai**  
**Date: 27<sup>th</sup> May 2020**  
**UDIN: 20038119AAAFX1658**

# ARVIND RAMAN & CO.



## CHARTERED ACCOUNTANTS

**109, JAWAHAR NAGAR, GOREGAON WEST, MUMBAI - 400062**  
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### ANNEXURE A TO THE AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020, we report that:

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The company has conducted physical verification of inventories as at year end. In our opinion, the frequency of verification is reasonable. Inventories lying with third parties have been confirmed by the company.
- iii. The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and Investments made.
- v. The company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- vi. We are informed that the Central Government has not prescribed for maintenance of cost records under section 148 of the Act in respect of the company's Activity.
- vii.
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, GST and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess, GST and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

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- b) According to the information and explanations given to us, there are no duty of customs, income tax, sales tax, duty of excise, service tax, value added tax & GST which have not been deposited with the appropriate authorities on account of any dispute
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid for managerial remuneration during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For M/s Arvind Raman & Co.**

**Chartered Accountants**

**Firm Registration Number 100594W**

Vijay Mathuradas Dhanak Digitally signed by Vijay Mathuradas Dhanak  
Date: 2020.05.27 18:42:33 +05'30'

**Partner**

**Registration Number: 38119**

**Place of signature: Mumbai**

**Date: 27<sup>th</sup> May 2020**

# ARVIND RAMAN & CO.



## **CHARTERED ACCOUNTANTS**

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**Ph.:022-28724469, 9324387804 E-mail: vijaydhanak@hotmail.com**

### **ANNEXURE B TO THE AUDITOR'S REPORT**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Dowells Cable Accessories Private Limited as of 31-Mar-2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

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external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s Arvind Raman & Co.**

**Chartered Accountants**

**Firm Registration Number 100594W**

Vijay Mathuradas  
Dhanak

Digitally signed by Vijay  
Mathuradas Dhanak  
Date: 2020.05.27 18:43:24  
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**Partner**

**Registration Number: 38119**

**Place of signature: Mumbai**

**Date: 27<sup>th</sup> May 2020**

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**

CIN : U28910MH2015PTC270585

Balance sheet as at 31 March 2020

	Notes	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,02,70,027.30	3,19,29,840.00
Capital work-in-progress	3	18,16,000.00	85,93,282.00
Right of use Assets	3A	2,56,746.00	
Financial assets	4	1,08,240.00	1,00,990.00
Income tax assets (Net)	5	-	8,99,238.00
Other non-current assets	6	20,000.00	20,000.00
		<u>3,24,71,013.30</u>	<u>4,15,43,350.00</u>
<b>Current assets</b>			
Inventories	7	7,91,39,613.60	8,15,12,007.06
Financial assets	8		
a) Trade receivables		5,27,32,921.78	5,77,85,367.12
b) Cash and cash equivalents		95,36,572.38	16,25,306.24
c) Loans		53,600.00	43,600.00
Other current assets	9	5,10,61,236.02	6,01,67,630.55
		<u>19,25,23,943.78</u>	<u>20,11,33,910.97</u>
<b>Total Assets</b>		<u><u>22,49,94,957.08</u></u>	<u><u>24,26,77,260.97</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share Capital	10	9,00,00,000.00	9,00,00,000.00
Other Equity	11	5,21,39,498.72	2,12,28,655.57
		<u>14,21,39,498.72</u>	<u>11,12,28,655.57</u>
<b>Liabilities</b>			
<b>Non-current liabilities:</b>			
Deferred tax liabilities (net)	12	9,32,048.00	11,97,226.00
		<u>9,32,048.00</u>	<u>11,97,226.00</u>
<b>Current liabilities:</b>			
Financial liabilities	13		
a) Borrowings		44,69,454.00	1,14,43,003.00
b) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		26,63,765.42	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,89,00,382.47	11,71,34,241.33
c) Other current financial liabilities		8,15,000.00	2,40,000.00
Other current liabilities	14	20,77,223.47	14,34,135.07
Current tax liabilities (net)	15	29,97,585.00	-
		<u>8,19,23,410.36</u>	<u>13,02,51,379.40</u>
<b>Total Equity and liabilities</b>		<u><u>22,49,94,957.08</u></u>	<u><u>24,26,77,260.97</u></u>
Corporate Information and Summary of significant accounting policies	1 & 2		
Contingent liabilities and Commitments	26		
Other Notes to Accounts	3 to 29		

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

As per our report of even date

For ARVIND RAMAN &amp; CO.

Chartered Accountants

FRN : 100594W

Vijay  
Mathuradas  
Dhanak

Digitally signed by  
Vijay Mathuradas  
Dhanak  
Date: 2020.05.27  
18:49:36 +05'30'

per V. M. Dhanak

Partner

Membership No. 38119

Place: Mumbai

Date: 27th May 2020

For and on behalf of the Board of Directors of  
DOWELLS CABLE ACCESSORIES PRIVATE LIMITED

INDER  
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JAISINGHANI

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INDER THAKURDAS  
JAISINGHANI  
Date: 2020.05.27  
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I. T. Jaisinghani

(Chairman)

DIN : 00309108

Place: Mumbai

Date: 27th May 2020

Jayantibhai  
ai S Patel

Digitally signed by  
Jayantibhai S Patel  
Date: 2020.05.27  
16:26:51 +05'30'

J. S. Patel

(Managing Director)

DIN : 02829263

Place: Mumbai

Date: 27th May 2020

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**

CIN : U28910MH2015PTC270585

Statement of Profit and Loss for the year ended 31 March 2020

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>Income</b>			
Revenue from operations	16	36,00,09,247.51	24,67,48,822.21
Other income	17	90,998.55	1,689.68
<b>Total Income</b>		<b>36,01,00,246.06</b>	<b>24,67,50,511.89</b>
<b>Expenses</b>			
Cost of materials consumed	18	11,18,11,218.99	7,85,12,669.29
Purchases of traded goods	19	12,07,53,612.83	13,32,66,883.59
Changes in Inventories of finished goods, traded goods and work-in-progress	20	67,08,300.04	(1,98,38,278.00)
Employee benefits expense	21	1,38,48,339.00	9,50,000.00
Other expenses	22	5,34,53,080.97	3,72,58,394.92
Finance cost	23	13,49,298.38	19,20,090.29
Depreciation and amortisation expense	24	70,11,866.70	33,82,625.00
<b>Total Expenses</b>		<b>31,49,35,716.91</b>	<b>23,54,52,385.09</b>
<b>Profit before tax</b>		<b>4,51,64,529.15</b>	<b>1,12,98,126.80</b>
<b>Income tax expenses</b>			
Current tax		1,11,52,000.00	25,29,040.00
Deferred tax (credit)/charge		(2,65,178.00)	3,90,858.00
Previous Years Tax		1,14,118.00	-
<b>Total tax expense</b>		<b>1,10,00,940.00</b>	<b>29,19,898.00</b>
<b>Profit for the year</b>		<b>3,41,63,589.15</b>	<b>83,78,228.80</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year, net of tax</b>		<b>3,41,63,589.15</b>	<b>83,78,228.80</b>
Earnings per share			
Basic and diluted earnings per share (₹)	25	3.80	2.72
Corporate Information and Summary of significant accounting policies	1 & 2		
Contingent liabilities and Commitments	26		
Other Notes to Accounts	3 to 29		

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

As per our report of even date

For ARVIND RAMAN &amp; CO.

Chartered Accountants

FRN : 100594W

Vijay  
Mathuradas  
Dhanak

Digitally signed by Vijay  
Mathuradas Dhanak  
Date: 2020.05.27  
18:51:16 +05'30'

per V. M. Dhanak  
Partner  
Membership No. 38119

Place: Mumbai  
Date: 27th May 2020

For and on behalf of the Board of Directors of  
DOWELLS CABLE ACCESSORIES PRIVATE LIMITED

INDER  
THAKURDAS  
JAISINGHANI

Digitally signed by  
INDER THAKURDAS  
JAISINGHANI  
Date: 2020.05.27  
17:04:14 +05'30'

I. T. Jaisinghani  
(Chairman)  
DIN : 00309108

Place: Mumbai  
Date: 27th May 2020

Jayantibh  
ai S Patel

Digitally signed  
by Jayantibhai S  
Patel  
Date: 2020.05.27  
16:28:32 +05'30'

J. S. Patel  
(Managing Director)  
DIN : 02829263

Place: Mumbai  
Date: 27th May 2020

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**  
Statement Of Cash Flows for the year ended 31 March 2020

	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	4,51,64,529.15	1,12,98,126.80
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	70,11,866.70	33,82,625.00
Finance income	(59,972.00)	(390.00)
Interest and other finance cost	13,49,298.38	19,20,090.29
Impairment allowance for trade receivable considered doubtful	1,07,320.00	1,15,802.00
<b>Operating profit before working capital changes</b>	5,35,73,042.23	1,67,16,254.09
<b>Movements in working capital:</b>		
Trade receivables	49,45,125.34	(2,32,39,739.27)
Inventories	23,72,393.46	(3,56,83,989.06)
Non-financial assets	(91,06,394.53)	31,11,709.97
Financial assets	2,56,08,063.06	(5,50,54,799.94)
Trade Payables	(4,55,70,093.44)	3,94,34,729.57
Non-financial liabilities	6,43,088.40	10,19,882.55
Financial liabilities	5,75,000.00	1,20,000.00
<b>Cash generated from operations</b>	3,30,40,224.52	(5,35,75,952.09)
Income tax paid (including TDS) (net)	82,68,533.00	25,99,040.00
<b>Net cash flows from operating activities (A)</b>	2,47,71,691.52	(5,61,74,992.09)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including Capital work in progress) including Intangible asset	(22,71,042.00)	(1,78,01,642.00)
Interest received (finance income)	67,222.00	780.00
<b>Net cash flows from / (used in) investing activities (B)</b>	(22,03,820.00)	(1,78,00,862.00)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest and other finance cost paid	(13,49,298.38)	(19,20,090.29)
Repayment from long term borrowings	(69,73,549.00)	(61,88,672.00)
Repayment from Lease Liability	(63,33,758.00)	-
Proceed from Equity Shares paid-up	-	7,70,00,000.00
<b>Net cash flows from / (used in) financing activities (C)</b>	(1,46,56,605.38)	6,88,91,237.71
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	79,11,266.14	(50,84,616.38)
Cash and cash equivalents at the beginning of the year	16,25,306.24	67,09,922.62
<b>Cash and cash equivalents at the year end -Refer Note 8(B)</b>	95,36,572.38	16,25,306.24

Corporate Information and Summary of significant accounting policies	1 & 2
Contingent liabilities and Commitments	26
Other Notes to Accounts	3 to 29

Notes:-

- Figures in brackets indicates outflows.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date  
For ARVIND RAMAN & CO.  
Chartered Accountants  
FRN : 100594W

Vijay Mathuradas  
Dhanak

Digitally signed by Vijay Mathuradas Dhanak  
Date: 2020.05.27 18:52:52 +05'30'

per V. M. Dhanak  
Partner  
Membership No. 38119

Place: Mumbai  
Date: 27th May 2020

For and on behalf of the Board of Directors of  
DOWELLS CABLE ACCESSORIES PRIVATE LIMITED

INDER THAKURDAS JAISINGHANI

Digitally signed by INDER THAKURDAS JAISINGHANI  
Date: 2020.05.27 17:04:42 +05'30'

I. T. Jaisinghani  
(Chairman)  
DIN : 00309108

Place: Mumbai  
Date: 27th May 2020

Jayantibhai S Patel

Digitally signed by Jayantibhai S Patel  
Date: 2020.05.27 16:29:18 +05'30'

J. S. Patel  
(Managing Director)  
DIN : 02829263

Place: Mumbai  
Date: 27th May 2020

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**

Statement of Changes in Equity for the year ended 31 March 2020

**A) Equity Share Capital:**

Particulars	Numbers	Amount
As at 1 April 2018	13,00,000	1,30,00,000.00
Changes in equity share capital during the year		
Add: Shares at the face value of Rs. 10/- each at par issued during the year pursuant to Right issue (Refer Note No. 25)	77,00,000	7,70,00,000.00
At 1 April 2019	90,00,000	9,00,00,000.00
Changes in equity share capital during the year	-	-
At 31 March 2020	90,00,000	9,00,00,000.00

**B) Other Equity:**

Particulars	Reserves & Surplus	
	Retained Earnings	Total other equity
As at 1 April 2018	1,28,50,426.77	1,28,50,426.77
Net Profit for the year ended March 2019	83,78,228.80	83,78,228.80
As at 31 March 2019	2,12,28,655.57	2,12,28,655.57
Net Profit for the year ended March 2020	3,41,63,589.15	3,41,63,589.15
Less: Impact on account of Ind AS 116	32,52,746.00	-
As at 31 March 2020	3,09,10,843.15	3,41,63,589.15
Corporate Information and Summary of significant accounting policies	1 & 2	
Contingent liabilities and Commitments	26	
Other Notes to Accounts	3 to 29	

The accompanying notes are an integral part of the interim financial statements.

As per our report of even date  
For ARVIND RAMAN & CO.  
Chartered Accountants  
FRN : 100594W

Vijay  
Mathuradas  
Dhanak

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Mathuradas Dhanak  
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per V. M. Dhanak  
Partner  
Membership No. 38119

Place: Mumbai  
Date: 27th May 2020

For and on behalf of the Board of Directors of  
DOWELLS CABLE ACCESSORIES PRIVATE LIMITED

INDER  
THAKURDAS  
JAISINGHANI

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INDER THAKURDAS  
JAISINGHANI  
Date: 2020.05.27  
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I. T. Jaisinghani  
(Chairman)  
DIN : 00309108

Place: Mumbai  
Date: 27th May 2020

Jayantibhai  
S Patel

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Jayantibhai S Patel  
Date: 2020.05.27  
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J. S. Patel  
(Managing Director)  
DIN : 02829263

Place: Mumbai  
Date: 27th May 2020

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31 March 2020

**3. Property, plant and equipment**

	Plant & Machinery	Dies & Fixtures	Electric Fan	Factory Equipment	Laboratory Equipment	Office Equipment	Furniture & Fixtures	Vehicle	Data Processing Machines	Total	Capital Work in Progress
<b>Deemed cost (gross carrying amount)</b>											
At 31 March 2018	1,81,40,459.00	35,76,392.00	4,800.00	1,01,190.00	3,76,543.00	14,500.00	-	-	1,69,337.00	2,23,83,221.00	56,66,136.00
Additions	1,09,34,464.00	26,17,981.00	82,694.00	1,87,148.00	1,35,380.00	53,279.00	8,29,800.00	-	33,750.00	1,48,74,496.00	1,78,01,642.00
Transfer											1,48,74,496.00
Disposals											-
At 31 March 2019	2,90,74,923.00	61,94,373.00	87,494.00	2,88,338.00	5,11,923.00	67,779.00	8,29,800.00	-	2,03,087.00	3,72,57,717.00	85,93,282.00
Additions	7,03,334.00	90,000.00	6,000.00	54,000.00	8,100.00	15,600.00	45,000.00	12,28,708.00	1,20,300.00	22,71,042.00	
Transfer											
Disposals/Adjustment											67,77,282.00
At 31 March 2020	2,97,78,257.00	62,84,373.00	93,494.00	3,42,338.00	5,20,023.00	83,379.00	8,74,800.00	12,28,708.00	3,23,387.00	3,95,28,759.00	18,16,000.00
<b>Accumulated depreciation</b>											
At 31 March 2018	11,66,254.00	7,19,234.00	530.00	3,706.00	18,392.00	2,295.00	-	-	34,841.00	19,45,252.00	-
Depreciation charge for the year	15,61,417.00	16,87,247.00	5,372.00	11,063.00	36,298.00	6,551.00	19,358.00	-	55,319.00	33,82,625.00	-
Disposals/Adjustment											-
At 31 March 2019	27,27,671.00	24,06,481.00	5,902.00	14,769.00	54,690.00	8,846.00	19,358.00	-	90,160.00	53,27,877.00	-
Depreciation charge for the year	18,47,217.90	18,00,027.53	8,817.11	21,276.03	49,181.61	15,497.14	81,382.60	36,481.98	70,972.80	39,30,854.70	-
Disposals/Adjustment											-
At 31 March 2020	45,74,888.90	42,06,508.53	14,719.11	36,045.03	1,03,871.61	24,343.14	1,00,740.60	36,481.98	1,61,132.80	92,58,731.70	-
<b>Net Book Value</b>											
At 31 March 2020	2,52,03,368.10	20,77,864.47	78,774.89	3,06,292.97	4,16,151.39	59,035.86	7,74,059.40	11,92,226.02	1,62,254.20	3,02,70,027.30	18,16,000.00
At 31 March 2019	2,63,47,252.00	37,87,892.00	81,592.00	2,73,569.00	4,57,233.00	58,933.00	8,10,442.00	-	1,12,927.00	3,19,29,840.00	85,93,282.00

Notes:-

(i) Depreciation on Property, plant and equipments is calculated on pro rata basis on straight line method using the useful lives of the assets and in the manner prescribed in Schedule II of the Companies Act, 2013 except in case of Dies & Fixtures where useful life is different than those prescribed in Schedule II

(ii) Direct capitalisation of Property, Plant and Equipment's during the year are given as under:

	Plant & Machinery	Dies & Fixtures	Electric Fan	Factory Equipment	Laboratory Equipment	Office Equipment	Furniture & Fixtures	Vehicle	Data Processing Machines	Total
FY 2019-20	7,03,334.00	90,000.00	6,000.00	54,000.00	8,100.00	15,600.00	45,000.00	12,28,708.00	1,20,300.00	22,71,042.00
FY 2018-19	-	-	-	-	-	-	-	-	-	-

(iii) The carrying value of Capital Work in Progress (CWIP) as at 31 March 2020 is ₹ 18,16,000 comprises of Dies & Fixtures. The carrying value of Capital Work in Progress (CWIP) as at 31 March 2019 was ₹ 85,93,282 comprises of Dies & Fixtures.

**3A: Right of Use assets**

	ROU Assets
Reclassification on account of adoption of Ind AS 116	
At 01 April 2019	33,37,758
Depreciation	(30,81,012)
<b>As 31 March 2020</b>	<b>2,56,746</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

**The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2020:**

	31 March 2020
Non-current lease liabilities	-
Current lease liabilities	5,30,000
	<b>5,30,000</b>

**The following is the movement in lease liabilities for the year ended 31 March 2020**

	31 March 2020
As at 01 April 2019	65,90,504
Additions	-
Finance cost accrued during the year	2,99,497
Deletions	(1)
Payment of lease liabilities	(63,60,000)
	<b>5,30,000</b>

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

	31 March 2020	31 March 2019
Less than one year	5,30,000	63,60,000
One to five years	-	5,30,000
	<b>5,30,000</b>	<b>68,90,000</b>

**The following are the amounts recognised in profit or loss:**

	31 March 2020
Depreciation expense of right-of-use assets	30,81,012
Interest expense on lease liabilities	2,99,497
	<b>33,80,509</b>

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31 March 2020

**4: Non-current financial assets**

	31 March 2020	31 March 2019
Margin Money *	1,00,600.00	1,00,600.00
Interest Accrued but not Due on Margin Money	7,640.00	390.00
	<u>1,08,240.00</u>	<u>1,00,990.00</u>

\* Margin money against Performance bank guarantee

**5: Non-current income tax assets (Net)**

	31 March 2020	31 March 2019
Advance income-tax (net of provision for taxation)	-	8,99,238.00
	<u>-</u>	<u>8,99,238.00</u>

**The movement in the income tax assets:**

	31 March 2020	31 March 2019
Net current tax asset / (liability) at the beginning	8,99,238.00	7,91,070.00
Income tax Paid	81,12,195.00	26,37,208.00
Refund received	(7,42,900.00)	-
Current tax expense	(1,12,66,118.00)	(25,29,040.00)
Net current tax asset / (liability) at the end	<u>(29,97,585.00)</u>	<u>8,99,238.00</u>

**6: Other non-current assets**

	31 March 2020	31 March 2019
Balances with Statutory/Government authorities	20,000.00	20,000.00
	<u>20,000.00</u>	<u>20,000.00</u>

**7: Inventories (Net)**

	31 March 2020	31 March 2019
Raw materials	1,86,53,964.82	1,53,30,970.06
Stock In Trade	1,73,48,768.75	2,11,51,591.00
Work-in-progress	31,11,660.65	1,45,61,392.00
Finished goods	3,28,05,814.09	2,64,27,717.00
Packing materials	11,91,307.78	3,12,046.00
Scrap materials	55,19,869.47	33,53,713.00
Stores and spares	5,08,228.04	3,74,578.00
	<u>7,91,39,613.60</u>	<u>8,15,12,007.06</u>

**8: Current financial assets**

	31 March 2020	31 March 2019
<b>(A) Trade receivables</b>		
Considered Good - Unsecured	5,17,81,563.63	5,70,93,792.12
Receivables from related parties (Refer note - 26(A))	11,74,480.15	8,07,377.00
Trade receivables (Gross)	5,29,56,043.78	5,79,01,169.12
Less: Impairment allowance for trade receivables - Credit Impaired	2,23,122.00	1,15,802.00
	<u>5,27,32,921.78</u>	<u>5,77,85,367.12</u>

The following table summarizes the change in impairment allowance measured using the life time expected credit loss model:

At the beginning of year	1,15,802.00	-
Provision during the year	1,07,320.00	1,15,802.00
Bad debts written off (net)	-	-
At the end of the period/ year	<u>2,23,122.00</u>	<u>1,15,802.00</u>

**(B) Cash and cash equivalents**

Balances with banks		
In current accounts	93,39,611.38	15,48,869.24
Cash in hand	1,96,961.00	76,437.00
	<u>95,36,572.38</u>	<u>16,25,306.24</u>

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**

Notes to Financial Statements for the year ended 31 March 2020

**(C) LOANS**

	31 March 2020	31 March 2019
<b>At amortised cost</b>		
Security deposits and Earnest money deposits, Unsecured, considered good	53,600.00	43,600.00
	<u>53,600.00</u>	<u>43,600.00</u>
		-

**9: Other current assets**

	31 March 2020	31 March 2019
Capital Advance	2,40,000.00	40,000.00
Advance given to Related Party for Purchase of Trade Mark (Refer Note No. 27A)	5,04,00,000.00	5,04,00,000.00
Advance to Vendors	2,01,929.02	94,194.00
Prepaid expenses	-	13,110.00
Balances with statutory/government authorities	2,19,307.00	96,20,326.55
	<u>5,10,61,236.02</u>	<u>6,01,67,630.55</u>

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**

Notes to Financial Statements for the year ended 31 March 2020

**10: Share capital**

	Equity shares	
	Numbers	Amount
<b>(A) Authorised share capital</b>		
(a) (Equity shares of ₹ 10 each)		
At 1 April 2018	50,00,000	5,00,00,000.00
Increase during the year	1,00,00,000	10,00,00,000.00
At 31 March 2019	1,50,00,000	15,00,00,000.00
Increase during the year	-	-
At 31 March 2020	1,50,00,000	15,00,00,000.00
(b) (Preference shares of ₹ 10 each)		
At 1 April 2018	25,00,000	2,50,00,000.00
Increase during the year	-	-
At 31 March 2019	25,00,000	2,50,00,000.00
Increase during the year	-	-
At 31 March 2020	25,00,000	2,50,00,000.00
<b>(B) Issued, subscribed and fully paid-up shares</b>		
(Equity shares of ₹ 10 each)		
At 1 April 2018	13,00,000	1,30,00,000.00
Changes during the year	77,00,000	7,70,00,000.00
At 31 March 2019	90,00,000	9,00,00,000.00
Changes during the year	-	-
At 31 March 2020	90,00,000	9,00,00,000.00

**(C) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

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

**(D) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% holding	No. of Shares	% holding
Polycab India Ltd (Formerly known as Polycab Wires Ltd)	45,90,000	51.00%	45,90,000	51.00%
Mr. Jayantibhai S. Patel	22,05,000	24.50%	22,05,000	24.50%
Mrs. Divyaprabha J. Patel	22,05,000	24.50%	22,05,000	24.50%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**11: Other equity**

	31 March 2020	31 March 2019
<b>Retained earnings</b>		
Opening balance	2,12,28,655.57	1,28,50,426.77
Add: Profit during the year	3,41,63,589.15	83,78,228.80
Less: Impact on account of Ind AS 116	32,52,746.00	-
	5,21,39,498.72	2,12,28,655.57

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31 March 2020

**12: Income taxes**

**(A) Deferred tax liabilities :**

	Balance Sheet	
	31 March 2020	31 March 2019
<b>Deferred tax liability</b>		
Property Plant & Equipments: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	9,88,208.00	12,82,245.00
<b>Gross deferred tax liability</b>	<b>9,88,208.00</b>	<b>12,82,245.00</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the year but allowed for tax purposes on subsequent year	-	54,911.00
Provision for expected credit loss (ECL)	56,160.00	30,108.00
<b>Gross deferred tax asset</b>	<b>56,160.00</b>	<b>85,019.00</b>
<b>Deferred tax liability (net)</b>	<b>9,32,048.00</b>	<b>11,97,226.00</b>
<b>Current tax:</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
In respect of current year	1,11,52,000.00	25,29,040.00
Adjustments of tax relating to earlier years	1,14,118.00	-
<b>Deferred tax:</b>		
In respect of current year	(2,65,178.00)	3,90,858.00
Adjustments of tax relating to earlier years	-	-
<b>Total Tax Expenses</b>	<b>1,10,00,940.00</b>	<b>29,19,898.00</b>
Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate:		
	<b>31 March 2020</b>	<b>31 March 2019</b>
Profit before tax	4,51,64,529.15	1,12,98,126.80
Enacted tax rates in India	25.168%	26.00%
Computed expected tax expenses	1,13,67,009.00	29,37,513.00
<b>Effect of:</b>		
Expense not allowed for tax purpose	18,68,235.00	9,63,914.00
1) Margin Loss on Expected Sales Return - Net	1,07,320.00	1,15,802.00
2) Donation	1,001.00	701.00
3) Add back of book depreciation inclusive of depreciation on ROU Asset	70,11,867.00	33,82,625.00
4) Add back of interest on ROU Assets	2,99,497.00	-
5) Others	3,373.00	2,08,234.00
Expenses considered for tax purpose	(23,09,241.00)	(13,19,070.00)
1) Depreciation as per IT Act	28,15,308.00	50,73,348.00
2) Leasing Rent on ROU Asset	63,60,000.00	-
Interest on income tax (sec 234B & C)	2,25,997.00	11,448.00
Adjustments of tax relating to earlier years	1,14,118.00	-
Short Provision	-	(64,765.00)
<b>Current Tax Provision (A)</b>	<b>1,12,66,118.00</b>	<b>25,29,040.00</b>
(Decrease)/Increase in Deferred Tax Liability on account of Property, Plant & Equipment	(2,94,037.00)	3,59,508.00
Decrease in Deferred Tax (Liability) / Asset on account Financial Assets & Other	28,859.00	31,350.00
<b>Deferred Tax Provision (B)</b>	<b>(2,65,178.00)</b>	<b>3,90,858.00</b>
<b>Total Tax Expenses</b>	<b>1,10,00,940.00</b>	<b>29,19,898.00</b>

**13: Current financial liabilities**

**(A) Borrowings**

	31 March 2020	31 March 2019
<b>Rupee loan (unsecured)</b>		
From Related Party - Polycab India Ltd	44,69,454.00	1,14,43,003.00
	<b>44,69,454.00</b>	<b>1,14,43,003.00</b>

**Net Debt Reconciliation: (including interest accrued on borrowing)**

	Non-Current Borrowings	Current Borrowings	Total
<b>As at 1 April 2018</b>	<b>1,76,31,675.00</b>	<b>-</b>	<b>1,76,31,675.00</b>
Cash Flows (Net)	(61,88,672.00)	-	(61,88,672.00)
Interest Expense	18,82,397.00	-	18,82,397.00
Interest Paid	(18,82,397.00)	-	(18,82,397.00)
<b>As at 31 March 2019</b>	<b>1,14,43,003.00</b>	<b>-</b>	<b>1,14,43,003.00</b>
Cash Flows (Net)	(69,73,549.00)	-	(69,73,549.00)
Interest Expense	9,82,330.00	-	9,82,330.00
Interest Paid	(9,82,330.00)	-	(9,82,330.00)
<b>As at 31 March 2020</b>	<b>44,69,454.00</b>	<b>-</b>	<b>44,69,454.00</b>
<b>Breakup of Debt as at period end</b>			
<b>As at 31 March 2019</b>			
Borrowing	1,14,43,003.00	-	1,14,43,003.00
Accrued Interest	-	-	-
<b>Total</b>	<b>1,14,43,003.00</b>	<b>-</b>	<b>1,14,43,003.00</b>
<b>As at 31 March 2020</b>			
Borrowing	44,69,454.00	-	44,69,454.00
Accrued Interest	-	-	-
<b>Total</b>	<b>44,69,454.00</b>	<b>-</b>	<b>44,69,454.00</b>

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31 March 2020

**13: Current financial liabilities**

**(B) Trade Payable**

Total outstanding dues of micro and small enterprises - (Refer note 28)	26,63,765.42	-
Total outstanding dues of creditors other than micro and small enterprises	6,16,96,524.22	8,61,28,143.33
Trade payables to related parties (Refer Note - 27(A))	72,03,858.25	3,10,06,098.00
	<u>6,89,00,382.47</u>	<u>11,71,34,241.33</u>

**(C) Other current financial liabilities**

	31 March 2020	31 March 2019
Security deposit	2,85,000.00	2,40,000.00
Rent Lease Liabilities	5,30,000.00	-
	<u>8,15,000.00</u>	<u>2,40,000.00</u>

**14: Other current liabilities**

	31 March 2020	31 March 2019
Advance from customers	2,21,392.30	10,31,869.92
Employee Recoveries and Employer Contributions	84,136.00	-
Other statutory dues	17,71,695.17	4,02,265.15
	<u>20,77,223.47</u>	<u>14,34,135.07</u>

**15: Other current liabilities**

	31 March 2020	31 March 2019
Provision for Current Tax (Net of advance tax)	29,97,585.00	-
	<u>29,97,585.00</u>	<u>-</u>

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**

Notes to Financial Statements for the year ended 31 March 2020

**16: Revenue from operations**

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Sale of products</b>		
Finished goods	21,35,19,255.57	10,68,87,765.79
Traded goods	13,68,20,635.24	13,53,24,660.12
Sale of service	70,982.00	5,36,338.00
	<u>35,04,10,872.81</u>	<u>24,27,48,763.91</u>
<b>Other operating revenue</b>		
Scrap sales	95,73,698.70	40,00,058.30
Export incentives	24,676.00	-
	<u>36,00,09,247.51</u>	<u>24,67,48,822.21</u>

**17: Other income**

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Interest income on financial assets</b>		
Carried at amortised cost	59,972.00	390.00
<b>Other non-operating income</b>		
Exchange differences (net)	31,026.55	1,299.68
	<u>90,998.55</u>	<u>1,689.68</u>

**18: Cost of materials consumed**

Inventories at the beginning of the year	1,56,43,016.06	1,71,883.00
Add: Purchases	11,60,13,475.53	9,39,83,802.35
	<u>13,16,56,491.59</u>	<u>9,41,55,685.35</u>
Less: Inventories at the end of the year	1,98,45,272.60	1,56,43,016.06
Cost of material consumed	<u>11,18,11,218.99</u>	<u>7,85,12,669.29</u>

	Year ended 31 March 2020	Year ended 31 March 2019
Copper	7,97,40,343.38	5,76,56,494.56
Aluminium	2,08,19,005.56	1,47,37,657.62
Others	49,21,707.21	30,21,653.90
Packing Materials	63,30,162.84	30,96,863.21
	<u>11,18,11,218.99</u>	<u>7,85,12,669.29</u>

**19: Purchases of traded goods**

	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of Cable Glands	11,92,16,991.94	11,83,92,657.11
Purchase of Terminals	3,68,291.00	1,19,80,544.08
Purchase of Crimping Tools	8,98,971.00	23,76,754.00
Purchase of others	2,69,358.89	5,16,928.40
	<u>12,07,53,612.83</u>	<u>13,32,66,883.59</u>

**20: Changes in Inventories of finished goods, traded goods and work-in-progress**

	31 March 2020	31 March 2019
<b>Inventory at the beginning of the year</b>		
Work-in-progress	1,45,61,392.00	2,42,86,581.00
Finished goods	2,64,27,717.00	39,058.00
Stock-in-Trade	2,11,51,591.00	2,13,30,496.00
Scrap materials	33,53,713.00	-
	<u>6,54,94,413.00</u>	<u>4,56,56,135.00</u>
<b>Inventory at the end of the year</b>		
Work-in-progress	31,11,660.65	1,45,61,392.00
Finished goods	3,28,05,814.09	2,64,27,717.00
Stock-in-Trade	1,73,48,768.75	2,11,51,591.00
Scrap materials	55,19,869.47	33,53,713.00
	<u>5,87,86,112.96</u>	<u>6,54,94,413.00</u>
<b>(Increase)/ Decrease in Inventories of finished goods, traded goods and work-in-progress</b>	<u>67,08,300.04</u>	<u>(1,98,38,278.00)</u>

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**

Notes to Financial Statements for the year ended 31 March 2020

**21: Employee benefits expense**

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	1,37,14,221.00	9,50,000.00
Contribution to provident and other funds	1,34,118.00	-
	<b>1,38,48,339.00</b>	<b>9,50,000.00</b>

**22: Other expenses**

	Year ended 31 March 2020	Year ended 31 March 2019
Consumables, Stores & Spares	1,03,55,033.66	27,18,685.93
Sub-contracting expenses	2,69,48,626.37	1,94,57,513.50
Power and fuel	24,37,217.90	5,80,831.59
Rent	-	47,91,458.00
Rates and taxes	11,292.00	1,22,888.00
Repairs and maintenance		
Plant and machinery	2,48,831.65	3,43,578.25
Buildings	39,130.00	1,98,512.40
Others	2,08,075.04	1,27,524.00
Advertising and sales promotion	12,850.00	1,29,950.00
Brokerage and commission	2,44,112.00	-
Travelling and conveyance	19,26,768.15	8,28,277.50
Communication Cost	1,19,514.00	81,336.24
Legal and professional fees	18,29,350.00	32,28,408.00
Freight & forwarding expenses	42,68,176.82	26,90,310.00
Payment to auditor (Refer Note below)	1,75,000.00	1,56,500.00
Provision for Bad Debts	1,07,320.00	1,15,802.00
Miscellaneous expenses	45,21,783.38	16,86,819.51
	<b>5,34,53,080.97</b>	<b>3,72,58,394.92</b>

**Note:**

Payments to the auditor (excluding applicable taxes):

**As auditor**

Tax Audit Fee	45,000.00	34,000.00
Statutory Audit Fee	1,00,000.00	94,500.00
Taxation Matters	30,000.00	28,000.00
	<b>1,75,000.00</b>	<b>1,56,500.00</b>

**23: Finance cost**

	Year ended 31 March 2020	Year ended 31 March 2019
Interest	9,82,330.00	18,82,397.00
Interest expense on financial liabilities at FVTPL	2,99,497.00	-
Others	67,471.38	37,693.29
	<b>13,49,298.38</b>	<b>19,20,090.29</b>

**24: Depreciation and amortization expense**

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of tangible assets ( Refer note -3)	39,30,854.70	33,82,625.00
Depreciation of right-of-use assets (refer note 3A)	30,81,012.00	-
	<b>70,11,866.70</b>	<b>33,82,625.00</b>

**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31 March 2020

**25: Earnings per share (EPS)**

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

For the purpose of calculating diluted earnings per share, the net profit or losses for the year attributable to the equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

The Company has not issued any potential equity shares during the year which have effect of dilution of basic earning per share and accordingly, the basic earnings per share and diluted earnings per share are the same.

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

	Year ended 31 March 2020	Year ended 31 March 2019
Profit attributable to equity holders for basic earnings:	3,41,63,589.15	83,78,228.80
Weighted average number of equity shares for basic EPS	90,00,000.00	30,75,616.00
Basic and diluted earnings per share (*) (Not annualised)	3.80	2.72

  

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Statement of outstanding No of share as at 31 March 2020/2019</b>		
Outstanding of number of Equity Shares as at 01/04/2018 / 01/04/2017	90,00,000.00	13,00,000.00
Issue of number of Right of Equity Shares on 17/09/2018	-	19,50,000.00
Issue of number of Right of Equity Shares on 28/11/2018	-	17,50,000.00
Issue of number of Right of Equity Shares on 17/01/2019	-	19,50,000.00
Issue of number of Right of Equity Shares on 21/01/2019	-	19,50,000.00
Issue of number of Right of Equity Shares on 23/01/2019	-	1,00,000.00
<b>Weighted average number of equity shares in calculating EPS</b>	<b>90,00,000.00</b>	<b>30,75,616.00</b>

Note:-

(a) Date of infusion of Equity Shares are considered for purpose of calculation of weighted average number of equity shares outstanding during the year 2018-19

**26: Commitments & Contingent Liability**

**(A) Leases**

**Operating lease: Company as lessee**

The Company has taken land, factory & residential building under lease agreement. Operating lease payments are recognized as an expense in the Statement of Profit and Loss as per terms of lease agreement entered into by the Company.

Future minimum rentals payable under non-cancellable operating leases are as follows (Net of GST):-

	31 March 2020	31 March 2019
Lease payment for the year	63,60,000.00	47,91,458.00
Within one year	5,30,000.00	63,60,000.00
After one year but not more than five years	-	5,30,000.00
More than five years	-	-

**(B) Capital and other commitments**

NIL



**DOWELLS CABLE ACCESSORIES PRIVATE LIMITED**  
Notes to Financial Statements for the year ended 31 March 2020

**27B: Related party disclosures**

**Key management personnel**

Mr. Inder T. Jaisinghani (ITJ)	Chairman
Mr. Jayantibhai S. Patel (JSP)	Managing Director
Mr. Ramesh T. Jaisinghani (RTJ)	Director
Mrs. Divyaprabha J. Patel (DJP)	Director

**(B) Remuneration of key management personnel (KMP)**

Remuneration paid for the year and outstanding as on 31 March 2020 to key managerial personnel are:

	31 March 2020		31 March 2019	
	For the year	Outstanding at the year end	For the year	Outstanding at the year end
Mr. Inder T. Jaisinghani	-	-	-	-
Mr. Jayantibhai S. Patel	1,14,00,000.00	31,45,230.00	9,50,000.00	8,54,320.00
Mr. Ramesh T. Jaisinghani	-	-	-	-
Mrs. Divyaprabha J. Patel	-	-	-	-
<b>Total</b>	<b>1,14,00,000.00</b>	<b>31,45,230.00</b>	<b>9,50,000.00</b>	<b>8,54,320.00</b>

**28. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

(i) During the year the company has received memorandum from Micro, Small and Medium Enterprises, as defined in Micro, Small, Medium Enterprises Development Act, 2006. This information has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount due to Micro, small & medium enterprises are disclosed separately

(ii) The company has not made any provision in respect of interest liability computed under the MSMED Act, 2006. The management of the Company is of the opinion that based on past practice and the mutual understanding with these parties, none of these parties shall claim such interest and hence no provision has been made for the same.

Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act :

	31 March 2020	31 March 2019
Principal	26,63,765.42	-
Interest	-	-

The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.

The amount of interest accrued and remaining unpaid at the end of each accounting year

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006

**29 : Others**

Figures relating to previous years has been regrouped wherever necessary to make them comparable with the current year figures.

As per our report of even date

For ARVIND RAMAN & CO.

Chartered Accountants

FRN : 100594W

Vijay  
Mathuradas  
Dhanak  
per V. M. Dhanak  
Partner  
Membership No. 38119

Digitally signed by Vijay  
Mathuradas Dhanak  
Date: 2020.05.27 18:56:16  
+05'30'

For and on behalf of the Board of Directors of  
DOWELLS CABLE ACCESSORIES PRIVATE LIMITED

INDER  
THAKURDAS  
JAISINGHANI

Digitally signed by  
INDER THAKURDAS  
JAISINGHANI  
Date: 2020.05.27  
17:06:03 +05'30'

I. T. Jaisinghani  
(Chairman)  
DIN : 00309108

Jayantibhai S Patel

Digitally signed by  
Jayantibhai S Patel  
Date: 2020.05.27  
16:30:44 +05'30'

J. S. Patel  
(Managing Director)  
DIN : 02829263

Place: Mumbai  
Date: 27th May 2020

Place: Mumbai  
Date: 27th May 2020

Place: Mumbai  
Date: 27th May 2020

**Dowells Cable Accessories Private Limited**  
**Notes to financial statements for the period ended 31 March 2020.**

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**1. Corporate information**

Dowells Cable Accessories Private Limited ('the Company') is a private company domiciled in India and incorporated on 1<sup>st</sup> December 2015 under the provisions of the Companies Act, 2013 having its registered office at Gala No. 47/47A, 1<sup>st</sup> Floor, Jagat Satguru Industrial Estate, Off Aarey Road, Goregaon East, Mumbai - 400063. The Company is engaged in manufacture of electrical goods & cable accessories & equipments. The company has manufacturing facilities at Sarigam and Halol (Gujarat). The company caters to major sectors of the Industries both domestic and international markets.

**2. Significant Accounting Policies**

**2.1 Basis of preparation**

The Company has followed the same accounting policies and methods of computation in the financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed a description of the nature and effect of the change have been disclosed appropriately.

The Company prepared its financial statements to comply with the accounting standards specified under section 133 of the Companies Act, 2013, read together with Companies (Accounts) Rules, 2015 and companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time. These financial statements includes Balance Sheet as at 31 March 2020, the Statement of Profit and Loss including Other Comprehensive Income, Cash flows Statement and Statement of changes in equity for the year ended 31 March 2020, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "financial statements").

The Financial Information for the year ended 31 March 2020 and year ended 31 March 2019 has been prepared on an accrual basis and a historical cost convention, except for the following financial assets and liabilities which have been measured at fair value or amortised cost at the end of each reporting period:

- Derivative financials instrument,
- Certain financials assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The financial statements are presented in Indian Rupees ("INR")

**2.2 Significant accounting judgements, estimates and assumptions**

**a. 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 treated as current when:

- It is expected to be settled in normal operating cycle;

**Dowells Cable Accessories Private Limited**  
**Notes to financial statements for the period ended 31 March 2020.**

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- 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

**b. Use of estimates and judgements**

In the course of applying the policies outlined in all notes, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

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 changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company uses the following critical accounting estimates in preparation of its financial statements:

**1. Revenue Recognition:**

The Company applied judgements that significantly affect the determination of the amount and timing of revenue from contracts at a point in time with customers, such as identifying performance obligations in a sale transactions. In certain non-standard contracts, where the Company provides extended warranties in respect of sale of consumer durable goods, the Company allocated the apportion of the transaction price to goods bases on its relative standalone prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In respect of long term contracts significant judgments are used in:

- A) Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
- B) Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

**2. Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in current and future periods.

**3. Provisions**

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

**4. Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. Contingent assets are neither recognised nor disclosed in the financial statements.

**5. Provision for income tax and deferred tax assets**

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**6. Employee benefits**

The accounting of employee benefit expenses have been explained under employee benefits note.

**7. Fair value measurement of financial instruments:**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss.

**9. Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**10. Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in group companies. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**c. Changes in significant accounting policies**

**Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, using Modified Retrospective Approach, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. (Refer note 4 for new accounting policy)

Refer note 2.2(g) – Significant accounting policies – Leases in the Annual report of the Company for the year ended 31 March 2019, for the policy as per Ind AS 17.

**d. Recent pronouncement**

The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as per the amendment notified in the official Gazette . Accordingly, the Company has recognised Provision for Income Tax for the year ended 31 March 2020 and re-measured its Deferred Tax Assets or Liabilities basis the reduced tax rate prescribed in the said section.

**e. Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020

f. The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

**2.3 Accounting policies**

**a. CASH FLOWS STATEMENT**

Cashflows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cashflows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**Dowells Cable Accessories Private Limited**  
**Notes to financial statements for the period ended 31 March 2020.**

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For the purposes of cash flow statement consist of cash and short-term deposits, as defined above

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. (Refer Note-8).

For the purposes of cash flow statement consist of cash and bank balances are considered an integral part of the Company's cash management.

**b. Property, plant and equipment and capital work-in-progress**

Property, plant and equipments are stated at cost, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, all related & incidental costs incurred to bring the assets to their location and working condition up to the date the assets are put to use any borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Gains or losses arising from derecognition of property, plant and equipments are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation on Property, plant and equipment's is calculated on pro rata basis on straight-line method using the management assessed useful lives of the assets which is in line with the manner prescribed in Schedule II of the Companies Act, 2013 as it represent useful life.

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

**Right of use assets**

**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

**Dowells Cable Accessories Private Limited**  
**Notes to financial statements for the period ended 31 March 2020.**

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The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**Transition**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying value as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 3.338 million and lease liability of ₹ 6.591 million. The cumulative effect of applying the standard resulted in ₹ 3.253 million being debited to retained earnings. The effect of this adoption is insignificant on the profit for the period and earnings per share.

The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

**c. Depreciation on property, plant and equipments**

Depreciation on Property, plant and equipments is calculated on pro rata basis on straight-line method using the useful lives of the assets and in the manner prescribed in Schedule II of the Companies Act, 2013 except the following assets whose useful life is different than those prescribed in Schedule II which is on the basis of technical assessment made by the management, it believes that the useful lives as given above best represent the period over which the assets are expected to be used.

Dies & Fixtures are depreciated over the estimated useful lives of 3 years

**d. Borrowing cost**

Borrowing cost include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

All other borrowing costs are expensed in the period are incurred.

**Dowells Cable Accessories Private Limited**  
**Notes to financial statements for the period ended 31 March 2020.**

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**e. Inventories**

Raw materials, packing materials, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, and stores and spares is determined on a First In-First Out (FIFO) basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on total manufacturing overheads to raw materials consumed. Cost of finished goods includes excise duty.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories at their location and condition. Cost is determined on a weighted average basis.

The stocks of scrap materials have been taken at net realizable value.

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

**f. Revenue from operations**

IND AS 115 was made effective from 1 April 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The new revenue standard replaced IND AS 18 & IND AS 11 and interpretations on revenue recognition related to sale of goods and services. The Company has applied the modified retrospective approach and accordingly has included the impact of Ind AS 115.

**Measurement of Revenue**

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer. Taxes collected from customers on behalf of Government are not treated as Revenue.

**Sale of goods**

Performance obligation in case of Revenue from sale of goods is satisfied at a point in time and is recognized when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. The Company collects Goods & Service Tax (GST) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue is disclosed net of trade discounts, incentives and returns, as applicable.

**Rendering of Services**

Revenue from service related activities is recognized as and when services are rendered and on the basis of contractual terms with the parties.

**Export incentives**

Export incentives under various schemes notified by the Government have been recognized on the basis of applicable regulations.

**Interest**

Interest income, if any, is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the Statement of Profit and Loss.

**Dividends**

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

**g. Foreign currency translation**

The Company's financial statements are presented in INR which is also the Company's functional currency.

**Foreign currency transactions and balances**

**i. Initial recognition**

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

**ii. Measurement of foreign currency item at the balance sheet date**

Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the reporting date.

**iii. Exchange differences**

Exchange differences arising on settlement of monetary items are recorded as income or as expenses in the period in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**h. Employee benefit Expenses**

**Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, incentives, special awards, medical benefits etc. and the expected cost of ex-gratia are charged to the Statement of Profit & Loss account in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

**Defined contribution plans**

Retirement benefit in the form of provident fund and 'Employer-Employee Scheme' are defined contribution schemes. The Company recognises contribution payable to the provident fund and 'Employer Employee' scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the funds. The Company's contributions to defined contribution plans are charged to the Statement of Profit & Loss as incurred.

**i. Income taxes**

Income tax expenses comprise current and deferred income tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Income tax received / receivable pertains to prior period recognized when reasonable certainty arises for refund acknowledged by the Income-tax department.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

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Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint ventures where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

**j. Segment reporting**

The company is primarily engaged in the business of manufacturing and sale of electrical cable accessories and equipments (more specifically cable terminals & connectors, Glands & Crimping Tools), which, in accordance with Ind AS-108, "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) constitutes a single reportable segment.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**k. Earnings per share**

Basic earnings per share are 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 year.

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.

**l. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

***Initial recognition and measurement***

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified at the initial recognition as financial assets measured at fair value or as financial assets measured at amortized cost.

***Subsequent measurement***

For purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financials assets at amortised cost
- Financials assets at fair value

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e., fair value through profit and loss), or recognised in other comprehensive income (i.e., fair value through other comprehensive income).

**a. Financials assets carried at amortised cost**

A financial asset that meets the following two conditions is measured at amortised cost (net of Impairment) unless the asset is designated at fair value through Profit and loss under the fair value option.

- Business Model test: The objective of the Company's business model is to hold the financial assets to collect the contractual cash flow (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding

**b. Financials assets at fair value through other comprehensive income**

Financials assets is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collections contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dated to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

**c. Financials assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit and loss.

***Derecognition***

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

***Impairment of financial assets***

The Company assesses impairment based on expected credit losses (ECL) model for the following:

- a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.
- b) Other financial assets such as deposits, advances etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a

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subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

The Company has applied ECL model for measurement and recognition of impairment losses on trade receivables. ECL has been computed as a percentage of revenue on the basis of Company's historical data of delay in collection of amounts due from customers and default by the customers along with management's estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed

ECL impairment loss allowance (or reversal) during the period is recognized as revenue from operations in the statement of profit and loss.

**Financial liabilities**

***Initial recognition and measurement***

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

**a. Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

**b. Gains or losses on liabilities held for trading are recognised in the profit or loss.**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

**c. Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

***Derecognition***

A financial liability is derecognised 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 derecognition 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.