

DCX CABLE ASSEMBLIES PRIVATE LIMITED

NO.80, BLOCK K II, EPIP INDUSTRIAL AREA, WHITE FIELD, BANGALORE - 560066
CIN: U31908KA2011PTC061686

Balance sheet as at 31 March 2020

Particulars		Note No.	31 March 2020		31 March 2019	
I. EQUITY AND LIABILITIES						
1	Shareholders' Funds					
	(a) Share Capital	3	3,50,00,000		3,50,00,000	
	(b) Reserves and Surplus	4	13,44,06,318		4,03,27,767	
	(c) Money Received Against Share Warrants			16,94,06,318		7,53,27,767
2	Share Application money pending allotment					
3	Non-Current Liabilities					
	(a) Long-Term Borrowings		-		-	
	(b) Deferred Tax Liabilities (Net)		-		-	
	(c) Other Long-Term Liabilities		-		-	
	(d) Long-Term Provisions	5	82,13,620	82,13,620	60,11,470	60,11,470
4	Current Liabilities					
	(a) Short-term borrowings	6	1,33,97,74,623		1,08,95,77,912	
	(b) Trade Payables	7	1,50,69,88,577		73,98,98,459	
	(c) Other Current Liabilities	8	3,95,08,83,211		2,94,27,11,383	
	(d) Short-Term Provisions	9	1,09,13,298	6,80,85,59,709	2,15,96,999	4,79,37,84,752
	Total			6,98,61,79,647		4,87,51,23,989
II. ASSETS						
1	Non-Current Assets					
	(a) Property Plant and Equipment					
	(i) Tangible Assets	10	16,51,19,802		4,26,69,252	
	(ii) Intangible Assets	10	8,72,850		11,17,379	
	(iii) Capital work-in-progress				2,79,64,534	
	(iv) Intangible assets under development					
	(b) Non-Current Investments					
	(c) Deferred Tax Assets (Net)	11	13,19,599		17,70,508	
	(d) Long-Term Loans and Advances	12	46,98,057		40,42,057	
	(e) Other Non-Current Assets			17,20,10,307		7,75,63,730
2	Current Assets					
	(a) Current Investments	13	10,00,000		4,10,00,000	
	(b) Inventories	14	77,21,19,329		6,44,17,085	
	(c) Trade receivables	15	87,97,10,350		1,00,29,57,404	
	(d) Cash and Cash Equivalents	16	4,16,82,61,526		2,59,41,22,958	
	(e) Short-Term Loans and Advances	17	95,19,53,266		1,03,14,48,240	
	(f) Other Current Assets	18	4,11,24,869	6,81,41,69,340	6,36,14,572	4,79,75,60,259
	Total			6,98,61,79,647		4,87,51,23,989
	Contingent Liabilities and Commitments	19		1,90,71,86,030		1,77,72,63,859
	Significant Accounting Policies	2				

The Notes referred to above form an integral part of the Financial Statement

Madhava & Co
As per our report of even date attached

For Madhavan & Co
Chartered Accountants
ICAI FRN: 001909S

Neeraj S Mitran
Partner
Membership No: 275401
Place: Bangalore Camp
Date: 07 JUL 2020



For and on behalf of the Board of Directors

HS Raghavendra Rao
Managing Director
DIN: 00379249
Place: Bangalore
Date: 07 JUL 2020

Premkumar KR
Director
DIN: 08397470
Place: Bangalore
Date: 07 JUL 2020

UDIN: 20235401AAAABD5316

DCX CABLE ASSEMBLIES PRIVATE LIMITED

NO.80, BLOCK II, EPIP INDUSTRIAL AREA, WHITE FIELD, BANGALORE - 560066
CIN: U31908KA2011PTC061686

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

Particulars	Note No.	31 March 2020	31 March 2019
I Revenue from Operations	20	4,49,26,14,809	2,99,87,23,314
II Other Income	21	15,76,50,066	9,17,50,696
III TOTAL REVENUE (I + II)		4,65,02,64,875	3,09,04,74,010
IV EXPENSES			
Cost of materials consumed	22	4,78,69,92,813	2,66,57,59,487
Changes in inventories	23	(70,77,02,244)	13,90,25,365
Employee Benefit Expenses	24	6,51,94,442	5,79,92,064
Finance Costs	25	7,78,77,776	5,61,67,428
Depreciation and Amortization Expenses	26	85,86,528	21,86,074
Other Expenses	27	29,23,16,614	9,61,22,913
TOTAL EXPENSES		4,52,32,65,929	3,01,72,53,331
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		12,69,98,946	7,32,20,679
VI Exceptional Items			-
VII Profit before Extraordinary Items and Tax		12,69,98,946	7,32,20,679
VIII Extraordinary Items			-
IX Profit Before Tax		12,69,98,946	7,32,20,679
X Tax Expense			
Current Tax		(3,74,09,896)	(2,68,31,451)
Deferred Tax		(4,50,909)	(3,93,213)
Prior Years Tax Changes		49,40,410	-
MAT Credit Available			-
XI Profit/(Loss) for the period from Continuing Operations (IX-X)		9,40,78,551	4,59,96,016
XII Profit/(Loss) from Discontinuing Operations			-
XIII Tax Expense of Discontinuing Operations			-
XIV Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII)			-
XV Profit(Loss) for the Period (XI+XIV)		9,40,78,551	4,59,96,016
XVI Earnings Per Equity Share			
-Basic	30	26.88	13.14
-Diluted	30	26.88	13.14

The Notes referred to above form an integral part of the Financial Statement

Madhavan & Co.

As per our report of even date attached

For Madhavan & Co
Chartered Accountants
ICAI FRN: 001909S

Neeraj S Mitran
Neeraj S Mitran
Partner
Membership No: 235401
Place: Bangalore Camp
Date: 07 JUL 2020



U DIN: 20235401AAAA BD5316

For and on behalf of the Board of Directors

HS Raghavendra Rao
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Managing Director
DIN: 00379249
Place: Bangalore
Date: 07 JUL 2020

Premkumar KR
Premkumar KR
Director
DIN: 08397470
Place: Bangalore
Date: 07 JUL 2020

DCX CABLE ASSEMBLIES PRIVATE LIMITEDNO.80, BLOCK II, EPID INDUSTRIAL AREA, WHITE FIELD, BANGALORE - 560066
CIN: U31908KA2011PTC061686**Cash Flow Statement for the year ended 31 March 2020**

Particulars	31 March 2020	31 March 2019
Cash Flow from Operating activities:		
Operating Profit before Working capital Changes	9,40,78,551	4,59,96,016
Adjustments For:		
Depreciation	85,86,528	21,86,074
Deferred tax	4,50,909	3,93,213
Income from investment in mutual fund	(1,73,270)	(1,26,834)
Interest Income	(14,68,68,037)	(9,09,37,298)
Changes in Inventories	(70,77,02,244)	13,90,25,365
Trade & Other Receivables	22,45,75,730	(1,77,02,97,502)
Trade & Other Payable	2,01,69,77,108	3,31,43,58,136
Cash Flow From Operating Activities	1,48,99,25,275	1,64,05,97,169
Cash Flow From Before Extraordinary Items	1,48,99,25,275	1,64,05,97,169
Extra ordinary items:	-	-
Net Cash Flow From Operating Activities(A)	1,48,99,25,275	1,64,05,97,169
Cash Flow From Investing Activities:		
Investment in Fixed Asset	(10,28,28,015)	(2,80,34,322)
Investment in MF	4,00,00,000	(4,00,00,000)
Interest Income	14,68,68,037	9,09,37,298
Income from investment in mutual fund	1,73,270	1,26,834
Net Cash Flow From Investing Activities (B)	8,42,13,292	2,30,29,810
Cash Flow From Financing Activities	-	-
Net Cash From Financing Activities (C)		
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	1,57,41,38,568	1,66,36,26,978
Opening Cash & Cash Equivalents as at 1st April 2019	2,59,41,22,958	93,04,95,980
Closing Cash and Cash Equivalents as at 31st March 2020	4,16,82,61,526	2,59,41,22,958

As per our report of even date attached

For Madhavan & Co
Chartered Accountants
ICAI FRN: 001909SNeeraj S Mitran
Partner
Membership No: 235401
Place: Bangalore Camp
Date: 07 JUL 2020

UDIN: 20235401A-AABD5316

For and on behalf of the Board of Directors

HS Raghavendra Rao
Managing Director
DIN: 00379249
Place: Bangalore
Date: 07 JUL 2020Premkumar KR
Director
DIN: 08397470
Place: Bangalore
Date: 07 JUL 2020

DCX CABLE ASSEMBLIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

CIN: U31908KA2011PTC061686

1 Background

DCX is leading source for engineered MIL/AERO high performance interconnect products. The company designs, engineers and produces Cable & Harness Assemblies, Fine Wire Cable Assemblies, Flex Flat Cable Assemblies, EMI Shielded Cable Harness, Wired Enclosures, Backpane Assemblies, Diagnostic Test Sets and Conduit Assemblies. The company is striving to be the market leader in the future years to come.

2 Significant Accounting Policies

2.01 Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') and comply with the mandatory Accounting Standards ('AS') prescribed by the Companies (Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013 (the Act) (to the extent notified).

The Accounting Policies have been consistently applied and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use, unless stated otherwise.

2.02 Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management of the Company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. The significant estimates used by the management in the preparation of these financial statements include estimation of the economic lives of fixed assets and provision for employee benefits. Any revision to accounting estimates is recognised prospectively in the current and future periods as the management becomes aware of changes in the circumstances surrounding the estimates.

2.03 Estimation of uncertainties relating to the global health pandemic from COVID-19

The company has complied with the lock-down requirements in the country and had shut its manufacturing units on 24th of March 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. The company has assessed the impact of CoViD 2019 on the company and has ascertained that the impact was only on the capacity utilization of the production unit during the months of lockdown. The company has paid all its employees' full salaries during the said period and have identified that there could be cash outflows in the future relating to the expedited production needed as per the deadlines of the project. However, the company is unable to ascertain or quantify the cash outflows, tenure of such outflows or the time at which such outflows may occur.

The company has further assessed the vendor quality to ensure that they bear no threat to the purchases to be completed at a later date. 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 client related information and economic forecasts. 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.

2.04 Revenue recognition

Revenue is recognized at the time of transfer of significant risks and rewards of ownership to the buyer and Invoices raised and exclude the amount collected towards goods and services tax.

Interest Income

Interest income is recognised 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 or loss.



DCX CABLE ASSEMBLIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

CIN: U31908KA2011PTC061686

2.05 Property, Plant and Equipment

2.05a Property, Plant and Equipment (PPEs/asset) represent a significant proportion of the asset base of the Company. PPEs are stated at cost less accumulated depreciation and impairment losses. The cost of PPEs comprises its purchase price and any other cost attributable to bringing such assets to its working condition and intended use. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's PPEs are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Refer Note 10.

Expenditure directly relating to expansion is capitalised only if it increases the life or functionality of an asset beyond its original standard of performance.

Borrowing costs directly attributable to acquisition of the assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Advances paid towards the acquisition of PPEs outstanding at each balance sheet date and the cost of those assets that are not ready for their intended use before such date are disclosed as capital work-in-progress.

2.05b The company had undertaken the construction works of their new manufacturing unit in Aerospace SEZ Park, Devanahalli, Bangalore and the same is put to use on 01st of March 2020. The expenses incurred towards the construction of this manufacturing unit was capitalised over the previous audit periods and disclosed as Capital Work In Progress (CWIP). The CWIP has been reclassified as Freehold Building on the aforementioned date. The depreciation on such freehold building has also commenced on 01st March 2020.

2.05c The company on 06th March 2012, had obtained equipment on lease from DCX CHOL Inc., USA for a period of 5 years, under a mechanism of Operating lease. The company had not paid any lease rentals that were provided for apart from the taxes withheld on such provisions.

The company had received the invoices for the purchase of the assets from the lessor for seeking the approval of the above mentioned transactions on 01st of March 2019, and had not considered the same in the books as the necessary approvals were not available with the company. The RBI, on 29th November 2019, has provided the necessary approvals to convert the said lease to an outright purchase. The company in the current year has decided to write back all provisions of the lease rentals over the period FY 2012-13 to FY 2016-17 amounting INR 1,05,09,478 on the date of approval. The above said amount is treated as income under the head other income and disclosed in Note 21.

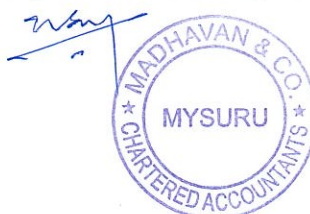
The company has further capitalized the above said equipment costing INR 2,55,60,098, including any amounts paid towards putting the said equipment to use. The company has estimated the useful life of the asset as 8 years.

2.05d Depreciation on Property, Plant and Equipment (PPE/asset) is provided on written down value basis over the estimated economic useful life of the assets as prescribed in schedule II of the Companies Act, 2013 or as determined based on a technical evaluation by the company periodically.

The management's assessment of the useful life of the assets and the depreciation rates are as follows:

Asset category	Estimated useful life (years)
Building	30
Computer hardware	3
Software	5
Electrical Installations	10
Office equipments	10
Plant and Machinery	10
Tools & Equipments	10
Furniture & Fixtures	8 - 15

Leasehold improvements are depreciated over the lease term or the useful life, whichever is shorter. Individual assets costing INR 5,000 or less are depreciated in full, in the year of purchase.



DCX CABLE ASSEMBLIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

CIN: U31908KA2011PTC061686

2.05e The company had undertaken the construction works of their new manufacturing unit in Aerospace SEZ Park at Devanahalli, Bangalore. All expenses incurred towards the construction of this manufacturing unit was capitalised over the previous periods and disclosed as Capital Work In Progress (CWIP). The company has successfully completed the construction of its new manufacturing unit during the current financial year and have also moved to the said premises on February 29th, 2020. The CWIP has been reclassified as Freehold Building on the aforementioned date. Accordingly, depreciation is also charged on the said asset from the above mentioned date.

2.06 Software cost

The cost incurred in acquiring application software for use in operation and administration of the Company are capitalised in the year of acquisition. Subscriptions to software are treated as revenue expenses as the economic life of such software does not exceed one year. Refer Note 10.

2.07 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciated historical cost. No such impairment exists for the year under audit.

2.08 Foreign currency transactions

2.08a Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

2.08b Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

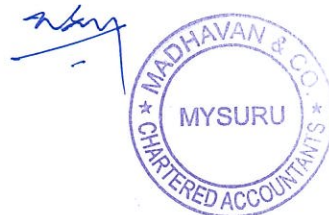
2.08c Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

2.09 Employee benefits

2.09a Provident fund

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees provident fund and Miscellaneous Provision Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.



DCX CABLE ASSEMBLIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

CIN: U31908KA2011PTC061686

2.09b Gratuity and Encashment of Earned Leave

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

The total liability of Gratuity as on the reporting date is INR 56,70,802, of which INR 2,65,814 is current and INR 54,04,988 is non current. The company does not have a separate fund for settling the gratuity amounts of the employees and is intending to settle the said amounts through the consolidated funds available with the company. Read with Note 31.

2.09c Leave encashment

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay because of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The total liability of leave encashment as on the reporting date is INR 28,85,946, of which INR 77,314 is current and INR 28,08,632 is non current. The company does not have a separate fund for settling the leave encashment amounts of the employees and is intending to settle the said amounts through the consolidated funds available with the company. Read with Note 31.

2.10 Operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account with reference to lease terms & other considerations. No lease payments have been recognised in the current year.

2.11 Taxes on income

2.11a Current tax

Income tax is determined as the amount of income tax payable under Indian Income Tax Act, 1961 in respect of taxable income for the period.

2.11b Deferred tax

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the timing differences between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods.

2.12 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

2.13 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



DCX CABLE ASSEMBLIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

CIN: U31900KA2011HTC061686

Share Holders' Funds

3 Share capital	31 March 2020		31 March 2019	
	Number	Amount (INR)	Number	Amount (INR)
Authorised share capital				
Equity shares of INR 10 each	35,00,000	3,50,00,000	35,00,000	3,50,00,000
Preference Share of INR 100 each	1,50,000	1,50,00,000	1,50,000	1,50,00,000
	36,50,000	5,00,00,000	36,50,000	5,00,00,000
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	35,00,000	3,50,00,000	35,00,000	3,50,00,000
Total	35,00,000	3,50,00,000	35,00,000	3,50,00,000

(a) Reconciliation of share capital	31 March 2020		31 March 2019	
	Number	Amount (INR)	Number	Amount (INR)
Balance at the beginning of the year	35,00,000	3,50,00,000	35,00,000	3,50,00,000
Add : Issued during the year	-	-	-	-
Balance at the end of the year	35,00,000	3,50,00,000	35,00,000	3,50,00,000

(b) Rights, preferences and restrictions attached to share

The Company has only one class of equity shares having a face value of INR 10 per share. Each holder of equity share is entitled to one vote per share.

(c) Shares held by holding company, ultimate holding company, subsidiaries / associates of holding company or ultimate holding company

	Number	Amount (INR)	Number	Amount (INR)
M/s VNG Technology Pvt Ltd	17,85,000	1,78,50,000	17,85,000	1,78,50,000
M/s NCBG Holdings Inc	9,10,000	91,00,000	9,10,000	91,00,000
	26,95,000	2,69,50,000	26,95,000	2,69,50,000

(d) Shareholders holding more than 5% of the shares

	Number	Percentage (%)	Number	Percentage (%)
Equity shares of INR 10 each				
Mr. Dinesh Poonamchand Shah	8,04,850	22.996%	8,04,850	22.996%
M/s VNG Technology Pvt Ltd	17,85,000	51.000%	17,85,000	51.000%
M/s NCBG Holdings Inc	9,10,000	26.000%	9,10,000	26.000%
	34,99,850	99.996%	34,99,850	99.996%

4 Reserves and surplus

Surplus in Profit and loss account	31 March 2020	31 March 2019
Balance at the beginning of the year	4,03,27,767	(56,68,249)
Add: Profits for the year	9,40,78,551	4,59,96,016
Balance at the end of the year	13,44,06,318	4,03,27,767



DCX CABLE ASSEMBLIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

CIN: U31908KA2011PTC061686

Non Current Liabilities

	31 March 2020	31 March 2019
5 Long-Term Provisions		
Provision for employee benefits		
- Gratuity (Non Funded)	54,04,988	41,90,285
- Leave Benefits	28,08,632	18,21,185
Total	82,13,620	60,11,470

Read with Note 31.

Current Liabilities

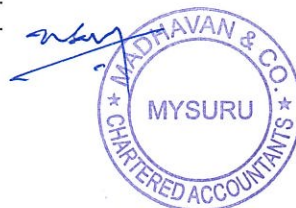
	31 March 2020	31 March 2019
6 Short-Term Borrowings		
Secured		
Loans and advances from Banks	1,33,97,74,623	1,08,95,77,912
Unsecured		
Loans and Advances from Related Parties	-	-
Total	1,33,97,74,623	1,08,95,77,912
7 Trade payables		
Dues to micro and small enterprises (Refer note below)	23,90,541	2,16,718
Dues to other creditors	1,50,45,98,036	73,96,81,738
Total	1,50,69,88,577	73,98,98,459

As per the records and information available with the company, there are enterprises/ vendors who are registered under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the amounts payable to such vendors have been identified and disclosed.

	31 March 2020	31 March 2019
8 Other current liabilities		
- Trade Advances	3,93,66,47,295	2,87,80,32,656
- Other Payables	1,42,35,915	6,46,78,727
Total	3,95,08,83,211	2,94,27,11,383
9 Provisions		
Other Short Term Provisions		
Provision for Employee Benefits	16,03,220	40,71,724
Provision for Income Tax	93,10,078	1,75,25,275
Total	1,09,13,298	2,15,96,999

Non Current Assets

	31 March 2020	31 March 2019
11 Deferred taxes Assets / (Liabilities)		
Deferred taxes Assets		
Opening Balance	17,70,508	21,63,720
Add: Current Year Provision	-	-
On timing differences of depreciation between Companies Act, 2013 and Income Tax Act, 1961	(4,50,909)	(3,93,213)
Net deferred tax Asset / (Liabilities)	13,19,599	17,70,508
12 Non Current Loans and advances		
Unsecured, considered good		
- Capital Advance for land	5,00,000	5,00,000
- Deposit with government authorities	59,788	59,788
Other Unsecured loans and advances	-	-
- Security deposits, Unsecured considered good	41,38,269	34,82,269
Total	46,98,057	40,42,057



DCX CABLE ASSEMBLIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

CIN: U31908KA2011PTC061686

		Current Assets	
		31 March 2020	31 March 2019
13	Current Investments		
	Investments in Mutual Funds	10,00,000	4,10,00,000
	Total	10,00,000	4,10,00,000
	The company has invested the above mentioned sum in the following funds and the NAV and the value of the fund as quoted on the stock exchange is as below.		
	Fund	Rate/Unit	No. of Units
	Canara Robeco Capital Protection Oriented Fund ISIN INF760K01IO3	11.89	1,00,000.00
	Total		11,89,000
14	Inventories	31 March 2020	31 March 2019
	Raw Materials	47,93,44,390	41,32,657
	Work-In-Progress	14,34,43,170	
	Finished Goods	14,93,31,769	
	Stock-in-Trade	-	6,02,84,428
	Total	77,21,19,329	6,44,17,085
15	Trade receivables	31 March 2020	31 March 2019
	Outstanding for less than 6 months		
	- Unsecured Considered good	87,49,45,207	98,24,76,025
	Outstanding for more than 6 months		
	- Unsecured Considered good	47,65,144	2,04,81,379
	Total	87,97,10,350	1,00,29,57,404
16	Cash and bank balances	31 March 2020	31 March 2019
	Cash and cash equivalents		
	- Cash on hand	-	1,110
	Balances with banks		
	- in current accounts	56,40,71,323	86,88,28,814
	- in Bank Deposits		
	Against Guarantees	2,38,87,91,627	1,61,16,77,810
	Bank deposits with original maturity of more 3 months but less than 12 months	1,21,53,98,576	11,36,15,224
	Total	4,16,82,61,526	2,59,41,22,958
17	Current Loans & Advances	31 March 2020	31 March 2019
	Unsecured considered good		
	- Loans and advances to related parties	11,98,857	3,71,36,528
	- Other Advances	95,07,54,409	99,43,11,712
	Total	95,19,53,266	1,03,14,48,240
18	Other Current Assets	31 March 2020	31 March 2019
	Unsecured, considered good:		
	- Deposits with Government authorities	3,60,40,160	5,91,66,689
	- Prepaid Expenses	49,83,044	40,44,856
	- Advance salary	1,01,665	4,03,025
	Total	4,11,24,869	6,36,14,572
19	Contingent liabilities and Commitments	31 March 2020	31 March 2019
	a) Estimated amount of contracts remaining to be executed on capital accrued and not provided for (net of advances)		
	b) Other Commitments	1,90,71,86,030	1,77,72,63,859
	Total	1,90,71,86,030	1,77,72,63,859



DCX CABLE ASSEMBLIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

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Revenue

	<u>31 March 2020</u>	<u>31 March 2019</u>
20 Revenue from Operations		
Income from Manufacturing Activities	4,47,67,13,467	2,99,87,23,314
Sale of service	1,59,01,342	-
Total	4,49,26,14,809	2,99,87,23,314
21 Other income	31 March 2020	31 March 2019
Interest on Fixed Deposit	14,68,68,037	9,09,37,298
Other income	1,07,82,029	8,13,398
Total	15,76,50,066	9,17,50,696
	Expenses	
22 Purchase of Raw Materials	31 March 2020	31 March 2019
Import Purchases	2,13,35,33,454	1,84,09,49,925
Local Purchases	2,65,34,59,360	82,48,09,562
Total	4,78,69,92,813	2,66,57,59,487
23 Changes in inventories	31 March 2020	31 March 2019
Opening stock	6,44,17,085	20,34,42,450
Less: Closing stock	77,21,19,329	6,44,17,085
Total	(70,77,02,244)	13,90,25,365
24 Employee benefit expense	31 March 2020	31 March 2019
Salaries and Wages including Bonus, incentives	5,31,03,228	4,78,11,798
Labour Charges	88,62,966	72,41,333
Staff welfare expenses	14,22,997	9,46,792
Gratuity	14,66,501	17,63,541
Induction & Training Programme exps	3,38,750	2,28,600
Total	6,51,94,442	5,79,92,064
25 Finance costs	31 March 2020	31 March 2019
Interest Expenses	5,49,76,241	4,10,45,207
Other borrowing costs	2,29,01,535	1,51,22,221
Total	7,78,77,776	5,61,67,428
26 Depreciation and amortization expense	31 March 2020	31 March 2019
Depreciation of Property Plant & Equipment	85,86,528	21,86,074
Total	85,86,528	21,86,074

Read With Note 10



DCX CABLE ASSEMBLIES PRIVATE LIMITED

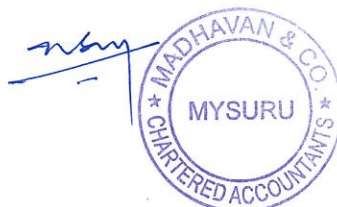
Notes to the financial statements for the year ended 31 March 2020

CIN: U31908KA2011PTC061686

27 Other expenses	31 March 2020	31 March 2019
Payment to Auditors		
As Statutory Auditor	4,40,000	4,40,000
Power & Fuel	18,79,161	21,22,983
Rent	59,96,388	59,96,388
Repairs to buildings	11,48,564	12,01,884
Repairs and maintenance - Machinery	16,18,232	7,93,292
Rates and taxes (excluding taxes on income)	35,07,721	4,64,296
Net Loss on Foreign Currency Translation	24,29,57,973	5,97,27,279
Miscellaneous expenses		
Business Promotion Expenses	2,52,243	9,81,332
Insurance	19,46,476	10,10,424
Clearing and Forwarding Charges	13,21,168	4,82,479
Freight Expenses	1,17,10,510	46,88,669
Communication Expenses	4,98,371	6,60,784
Printing and stationery	2,43,716	4,35,710
Recruitment Expenses	-	1,52,100
Professional Fee	91,14,912	63,63,586
Travelling & Conveyance Expenses	29,13,337	57,54,981
Other Expenses	67,67,841	48,46,728
Total	29,23,16,614	9,61,22,913

Other Disclosures

28 Earnings in foreign currency	31 March 2020	31 March 2019
Export Sales	3,94,02,99,216	2,91,95,42,814
Other Income	45,339	16,019
29 Expenditure in foreign currency	31 March 2020	31 March 2019
Travelling Expense	10,71,200	4,46,250
Import Purchase	2,13,35,33,454	1,84,09,49,925
IT Accessories Expenses	65,162	99,610
Professional Fees	54,36,377	35,18,093
Bank Guarantee Charges	46,50,914	27,37,123
Fixed Assets	2,59,50,506	-
Miscellaneous expenses	13,008	5,203
Freight Charges	23,058	63,734
30 Earning per share	31 March 2020	31 March 2019
Nominal value of equity shares (Rs)	10	10
(a) Net Profit after tax	9,40,78,551	4,59,96,016
(b) Basic number of Equity shares of Rs. 10 each outstanding during the year	35,00,000	35,00,000
(c) Weighted average number of Equity shares of Rs. 10 each outstanding during the year	35,00,000	35,00,000
(d) Basic Earnings per share (Rs)	26.88	13.14



DCX CABLE ASSEMBLIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

CIN: U31908KA2011PTC061686

31 Gratuity and Leave Encashment plans

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on separation at 15 days' salary (last drawn salary) for each completed year of service.

	31 March 2020 (INR)		31 March 2019 (INR)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Expense recognized in statement of profit and loss (as employee cost)				
Current service cost	7,58,413	4,29,749	7,01,319	3,57,029
Interest cost on benefit obligation	3,42,634	1,48,541	2,24,303	68,900
Expected return on plan assets	-	-	-	-
Net actuarial (gain) / loss recognized in the year	-	-	-	-
Past service cost	3,65,454	6,03,461	7,84,535	9,55,552
Net (benefit) / expense	14,66,501	11,81,751	17,10,157	13,81,481

	31 March 2020 (INR)		31 March 2019 (INR)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Amount recognized in Balance Sheet				
Opening Net Liability	(44,21,086)	(19,16,662)	(28,83,076)	(8,85,604)
Expenses as above	(14,66,501)	(11,81,751)	(17,10,157)	(13,81,481)
Employer Contribution	2,16,785	1,55,395	1,72,147	3,50,423
Acquisition Adjustment	-	-	-	-
Closing Net Liability	(56,70,802)	(29,43,018)	(44,21,086)	(19,16,662)

	31 March 2020 (INR)		31 March 2019 (INR)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Changes in the present value of defined benefit obligation are as follows:				
Opening defined benefit obligation	44,21,086	19,16,662	28,83,076	8,85,604
Current service cost	7,58,413	4,29,749	7,01,319	3,57,029
Interest cost	3,42,634	1,48,541	2,24,303	68,900
Past service cost	-	-	-	-
Benefits paid	(2,16,785)	(1,55,395)	(1,72,147)	(3,50,423)
Actuarial (gains) / losses on obligation	3,65,454	6,03,461	7,84,535	9,55,552
Closing defined benefit obligation	56,70,802	29,43,018	44,21,086	19,16,662

The Company has not contributed any amount to gratuity during the year ended March 31, 2020 and March 31, 2019, as the scheme is unfunded.

The principal actuarial assumptions used in determining gratuity and leave encashment obligations for the Company's plans are shown below

	March 31, 2020	March 31, 2019
Discount Rate	6.80% per annum	7.75% per annum
Rate of increase in Compensation levels	8.00% per annum	8.00% per annum
Rate of Return on Plan Assets	Not Applicable	Not Applicable
Expected Future Service	28.33 years	29.66 years

	31 March 2020 (INR)		31 March 2019 (INR)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Experience adjustment table				
Present value of obligation at the end of the period	56,70,802	29,43,018	44,21,086	19,16,662
Plan assets	-	-	-	-
Funded Status	(56,70,802)	(29,43,018)	(44,21,086)	(19,16,662)
Actuarial gain/(loss) in PBO	(3,65,454)	(6,03,461)	(7,84,535)	(9,55,552)
Actuarial (gain)/loss for the year - Plan Assets	-	-	-	-



DCX CABLE ASSEMBLIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

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33 Related party disclosures

33.01 Parties where control exists includes:

<u>Name of party</u>	<u>Nature of relationship</u>
Hosakote Shamarao Raghavendra Rao	Director
Dilip Poonam Shah	Director
Neal Jeremy Castleman	Director
Premkumar Ramachand Kaviath	Director
Ravikumara Eranna	Director
Shiva Giriprakash Savitha	Director
Vijaybhai Somabhai Patel	Director
VNG Technology Private Limited	Holding Company
NCBG Holdings Inc	Associate Company
DCX Chol Inc	Common Directorship
Specvin Technologies	Common Directorship

33.02 Summary of transactions with related parties:

(In INR, without Forex Gain/Loss)

<u>Nature of transaction</u>	<u>Common Directorship</u>	<u>Director</u>
Exports/Deemed Exports	96,79,936 (98,83,088)	-
Imports	1,92,87,423 (2,80,395)	-
Reimbursement of Expenses	32,41,605 (21,00,208)	1,86,783 (40,813)
Equipment Purchased	2,66,10,98 (0)	-
Equipment Lease Rent Provision Reversed	1,05,09,478 (0)	-
Salary	-	1,85,37,486 (1,51,77,492)



DCX CABLE ASSEMBLIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

CIN: U31908KA2011PTC081886

Related party disclosures**33.03 Parties where control exists includes:****Summary of closing balances with related parties:**

Nature of Transaction	31 March 2020	31 March 2019
DCX Chol Ent Inc	1,05,68,076	(3,61,32,899)
Hosakote Shamarao Raghavendra Rao	5,37,340	3,80,516
Hosakote Shamarao Raghavendra Rao	9,44,161	7,48,933
Premkumar Ramachand Kaviath	3,41,669	1,56,207
Premkumar Ramachand Kaviath	11,445	3,000
Ravikumara Eranna	1,93,366	2,01,222

34 Transfer Pricing:

The Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of updating a study to ascertain whether such international transactions with associated enterprises are in compliance with the transfer pricing norms referred to above. Management is of the view that the Company is in compliance with transfer pricing norms for determination of arm's length prices and maintenance of relevant documentation in relation to international transactions with associated enterprises entered into during the period. Accordingly, no accrual for tax, interest or penalty payable in case of such non-compliance, if any, has been made in these financial statements.

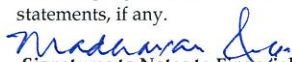
35 Other Information:

35.01 Previous year figures have been regrouped wherever necessary

35.02 Trade Receivables, Loans and Advances, Sundry Creditors are subject to confirmation/reconciliation.

35.03 In the opinion of the management, current assets, loans and advances have a value not less than what is stated in the accounts if realized in the ordinary course of business.

35.04 The company has received third party balance confirmation from vendors and are in the process of reconciling differences in such statements, if any.


Signatures to Notes to Financial statements 1- 35

As per our report of even date attached

For Madhavan & Co

Chartered Accountants

ICAI FRN: 0019095

**Neeraj S Mitran**

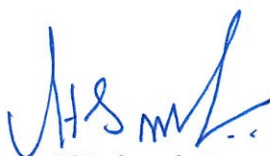
Partner

Membership No: 235401

Place: Bangalore Camp

Date: 07 JUL 2020

UDIN: 20235401AAAABD5316

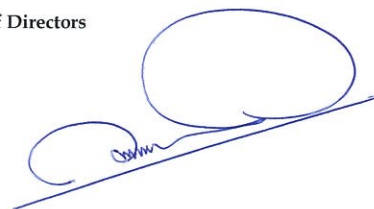
For and on behalf of the Board of Directors

HS Raghavendra Rao

Managing Director

DIN: 00379249

Place: Bangalore

Date: 07 JUL 2020


Premkumar KR

Director

DIN: 08397470

Place: Bangalore

Date: 07 JUL 2020