

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
ALBONAIR INDIA PRIVATE LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of ALBONAIR INDIA PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("IND AS") and other Accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total Comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statement

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection



and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- Planning the scope of our audit work and in evaluating the results of our work;
- To evaluate the effect of any identified misstatements in the financial statements.

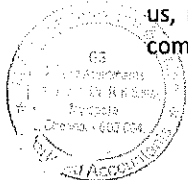
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Companies Act, 2013, we report that:

- 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.
- 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.
- The Balance Sheet, the Statement of Profit and Loss including other Comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- In our opinion, the aforesaid Financial Statements comply with the IND AS specified under Section 133 of the Act read with the relevant rules issued thereunder.
- On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- 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 "A". Our report express an unmodified opinion on the adequacy and operating effectiveness at the company's internal financial controls over financial reporting.
- In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year and hence compliance with the provisions of section 197 of the act does not arise.

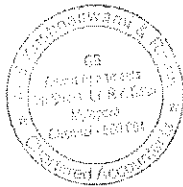


(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanation given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31,2019.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M.S. Krishnaswami & Rajan
Chartered Accountants
Registration No. 01554S



M.S. Murali - *Partner*
Membership No. 26453
Date: May 21, 2019
Place: Chennai

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Albonair India Private Limited

Report on the Internal Financial Controls Over Financial Reporting 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 **ALBONAIR INDIA PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the 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. 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) 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 authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to the explanations given to us, 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M.S. Krishnaswami & Rajan

Chartered Accountants

Registration No. 01554S

M.S. Murali - Partner

Membership No. 026453

Date: May 21, 2019

Place: Chennai



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Albonair India Private Limited ("the Company") for the year ended March 31, 2019).

1. In respect of the Company's fixed assets:
 - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
 - (c) The Company does not hold any immovable properties.
2. As explained to us, the inventories other than Goods in transit, have been physically verified at the year-end by the management and no material discrepancies were noticed on such verifications.
3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, nor made investments, furnished guarantees or provided security to any party covered by provisions of sections 185 and 186 of the Companies Act, 2013. Hence reporting on whether there is a compliance with the said provisions does not arise.
5. According to information and explanations given to us, the Company has not accepted any deposits during the year and there are no unclaimed deposits as at March 31, 2019 to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act are not applicable. Accordingly, the provisions of clause (v) of paragraph 3 of the Order is not applicable to the Company.
6. As per Information and explanation given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under section 148 of the Companies Act, 2013 are not applicable to the Company.
7. According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
 - (a) The company is generally regular in depositing material amount of undisputed statutory dues including provident fund, Income-tax, Goods and Service Tax, Customs duty, Cess and any other statutory dues as applicable to the appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (b) There are no dues of Income tax, Goods and Service tax, Customs Duty which have not been deposited on account of any dispute with the relevant authorities.



8. In our opinion and according to information and explanation given to us, there are no loans or borrowings during the year from any financial institution, government or in the form of debentures or from banks.
9. As per the information and explanation given to us, the Company has not raised any money by way of initial public offer or further public offers (including debt instruments) during the year. Hence reporting on utilization of such money under clause 3 (ix) of the order does not arise. The Company has not availed any term loans during the year.
10. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the Company or no material fraud on the Company by its officer's or employee's has been noticed or reported during the year.
11. No Managerial remuneration is payable by the Company and accordingly, the provisions of section 197 read with schedule V of the Companies Act, 2013 are not applicable to the Company.
12. The Company is not a Nidhi Company and accordingly the provisions of Clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable. The details of such transactions during the year have been disclosed in the Financial statements as required by the applicable Accounting Standards. (Refer note 3.8 to Financial statements).
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence reporting under clause 3 (xiv) of the order is not applicable.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them. Hence reporting on whether there is compliance with provisions of section 192 of the Companies Act, 2013 does not arise.
16. The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934.

For M.S. Krishnaswami & Rajan
Chartered Accountants
Registration No. 01554S



M.S. Murali-Partner
Membership No. 26453
Date: May 21, 2019
Place: Chennai

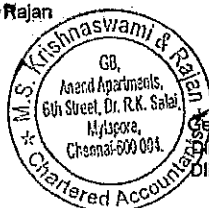
Albonair (India) Private Limited			
Balance sheet as at March 31, 2019			
Particulars	Note No.	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	664.78	692.38
Capital work-in-progress	1.1	-	1.60
Intangible assets	1.2	10.80	17.04
Deferred Tax Asset (net)	1.3	0.37	0.37
Advance Tax Assets. (net)	1.4	12.49	3.74
Other non-current assets	1.5	215.45	30.07
		903.89	745.20
Current assets			
Inventories	1.6	270.63	938.79
Financial Assets			
(i) Trade Receivables	1.7	109.51	132.41
(ii) Cash and cash equivalents	1.8	327.12	56.90
(iii) Other financial assets	1.9	7.48	11.74
Other current assets	1.10	70.09	225.79
		784.83	1,365.63
TOTAL ASSETS		1,688.72	2,110.83
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	1.11	2,500.00	1,500.00
Other Equity	1.12	(1,355.48)	(1,120.25)
		1,144.52	379.75
Liabilities			
Non-current liabilities			
Provisions	1.13	31.38	36.76
Current liabilities			
Financial liabilities			
(i) Trade payables	1.14	-	-
a) total outstanding dues of Micro, Small and Medium Enterprises		-	-
b) total outstanding dues other than Micro, Small and Medium Enterprises		442.24	1,648.42
(ii) Other financial liabilities	1.15	16.88	13.00
Other current liabilities	1.16	16.05	4.43
Provisions	1.17	37.67	28.47
		512.82	1,694.32
TOTAL EQUITY AND LIABILITIES		1,688.72	2,110.83

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.

As per our report of even date.

For M S Krishnaswami & Rajan
Chartered Accountants

M S Murali
Partner
Membership No. 26453



George Herbert Christoph Huethwohl
Director
DIN: 02697561

K C Sathyanarayanan
Director
DIN: 08087454

On behalf of the Board

E. Balasubramoniam
Chief Executive Officer
DIN: 07990377

Date: May 21, 2019
Place: Chennai

U Jhanvi
Company Secretary

Vasan Ranganathan
Chief Financial Officer

Albonair (India) Private Limited

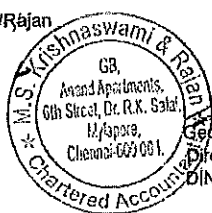
Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note No.	Year ended	Year ended
		March 31, 2019	March 31, 2018
		Rs. Lakhs	Rs. Lakhs
Income			
Revenue from operations	2.1	1,223.56	1,571.85
Other income	2.2	38.08	1.83
Total Income		1,261.64	1,573.68
Expenses			
Cost of materials consumed	2.3	881.52	1,300.94
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.4	137.43	(53.68)
Excise duty on sale of goods		-	58.31
Employee benefits expense	2.5	250.57	226.60
Finance costs	2.6	-	0.19
Depreciation and amortisation expense	2.7	57.76	57.27
Other expenses	2.8	155.72	370.20
Total Expenses		1,484.00	1,959.83
Loss before exceptional items and tax		(222.36)	(386.15)
Exceptional items		-	-
Loss before tax		(222.36)	(386.15)
Tax expense:			
Current tax - Prior Year		(0.10)	-
Deferred tax		-	-
		(0.10)	-
Loss for the year		(222.26)	(386.15)
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans - net		(2.05)	0.19
Total Comprehensive Income for the year		(220.21)	(386.34)
Earnings per share (Face value Rs.10 each) -			
-Basic (in Rs.)		(0.98)	(2.58)
-Diluted (in Rs.)		(0.98)	(2.58)
[Refer Note 3.11]			

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.

As per our report of even date.

For M S Krishnaswami & Rajan
Chartered Accountants



M S Murall
Partner
Membership No. 26453

George Heribert Christoph Hueltwohl
Director
DIN : 02697561

K C Sathyanarayanan
Director
DIN: 08087454

E. Balasubramoniam
Chief Executive Officer
DIN: 07990377

Date: May 21, 2019
Place: Chennai

U Jhanvi
Company Secretary

Vasan Ranganathan
Chief Financial Officer

On behalf of the Board

Albonair (India) Private Limited

Statement of Cash flows for the year ended March 31, 2019

Particulars	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Cash flow from operating activities		
Profit for the year	(222.36)	(388.34)
Adjustments for :		
Depreciation, amortisation and impairment	57.76	57.27
Loss on discarded asset	0.58	-
Foreign exchange loss/ (gain)	22.53	150.96
Finance costs	-	0.19
Interest income	-	(1.83)
Operating profit before working capital changes	(141.51)	(179.75)
Adjustments for changes in :		
Trade receivables	22.80	(112.67)
Inventories	686.16	(427.84)
Non-current and current financial assets	4.28	0.47
Other non-current and current assets	(29.68)	(33.78)
Trade payables	(1,228.72)	570.39
Non-current and current financial liabilities	3.88	3.51
Other non-current and current liabilities	11.82	1.93
Other non-current and current provisions	5.88	20.49
Cash generated from operations	(683.25)	(157.25)
Income tax paid (net of refund)	(6.85)	(2.20)
Net cash flow from operating activities	(690.10)	(159.45)
Cash flow from investing activities		
Purchase of PPE and intangible assets	(24.47)	(36.00)
Capital Work in Progress capitalised	1.00	-
Interest received	-	1.83
Net cash (used in) investing activities	(23.47)	(34.17)
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	1,000.00	-
Share Issue Expenses	(15.01)	-
Interest paid	-	(0.19)
Net cash (used in) financing activities	984.99	(0.19)
Net cash inflow / (Outflow)	270.22	(193.81)
Opening cash and cash equivalents	56.90	250.71
Closing cash and cash equivalents [Refer Note 1.8 to the standalone financial statements]	327.12	56.90

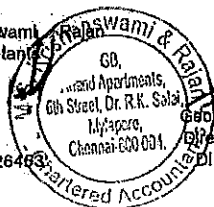
Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.

As per our report of even date.

For M S Krishnaswami
Chartered Accountant

M S Murali
Partner

Membership No. 26463



George Heribert Christoph Huelthwohl
Director
DIN : 02697561

K C Sathyanarayanan
Director
DIN : 08087454

On behalf of the Board

E. Balasubramoniam
Chief Executive Officer
Dir. 07990377

Date: May 21, 2019
Place: Chennai

N Jhanvi
Company Secretary

Yasan Ranganathan
Chief Financial Officer

Albonair (India) Private Limited

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital		Rs. Lakhs	
Balance at the beginning of April 1, 2017	Changes in equity share capital during the year	Balance at the end of March 31, 2018	Changes in equity share capital during the year
1,500.00	-	1,500.00	1,000.00
			2,500.00

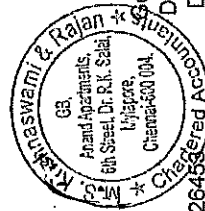
B. Other Equity

Rs. Lakhs	
Particulars	Retained Earnings
Balance at the beginning of April 1, 2017	(733.91)
Profit/(Loss) for the year	(386.15)
Other comprehensive income	0.19
Total Comprehensive Income for the year	(1,119.87)
Balance at the end of March 31, 2018	(1,119.87)
Profit/(Loss) for the year	(222.26)
Other comprehensive income	(2.05)
Total Comprehensive Income for the year	(1,344.18)
Share Issue Expenses	(15.01)
Balance at the end of March 31, 2019	(1,369.19)

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.

As per our report of even date.

For M S Krishnaswami & Rajan
Chartered Accountants



M S Murali
Partner
Membership No. 26455

George Heribert Christoph Huethwohl
Director
DIN : 02697561

K C Sathiyarayanan
Director
DIN: 08087454

E. Balasubramoniam
Chief Executive Officer
DIN: 07990377

Date: May 21, 2019
Place: Chennai

J Jhanvi
Company Secretary

Vasan Ranganathan
Chief Financial Officer

On behalf of the Board

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT As at 31.03.2019
	01.04.2016	Additions	Disposals	31.03.2019	Charge during the year	Disposals	Upto 31.03.2019	As at 31.03.2019	
Property, plant and equipment (PPE)	814.50	15.67	-	830.17	46.54	-	183.12	647.05	
Plant and equipment	10.65	-	-	10.65	0.27	-	5.92	4.73	
Furniture and fittings	21.43	8.80	0.85	29.38	4.71	0.30	16.38	13.00	
Office Equipment	846.58	24.47	0.85	870.20	51.52	0.30	205.42	664.78	
TOTAL		23.92							

Capital work-in-progress

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT As at 31.03.2018
	01.04.2017	Additions	Disposals	31.03.2018	Charge during the year	Disposals	Upto 31.03.2018	As at 31.03.2018	
Property, plant and equipment (PPE)	801.36	13.14	-	814.50	45.67	-	136.58	677.92	
Plant and equipment	9.95	0.70	-	10.65	1.50	-	5.65	5.00	
Furniture and fittings	12.37	9.06	-	21.43	4.56	-	11.97	9.46	
Office Equipment	823.68	22.90	-	846.58	51.73	-	154.20	692.38	
TOTAL		22.90							

Capital work-in-progress

Notes:

- 1 Impairment loss recognised during the year Rs.Nil (2018:Nil).
- 2 For amount of contractual commitments for the acquisition of PPE, Refer Note 3.12.



Albonair (India) Private Limited

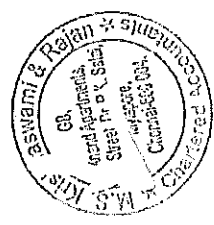
Notes annexed to and forming part of the standalone financial statements

1.2 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT
	01.04.2018	Additions	Disposals	31.03.2019	Upto 31.03.2018	Charge during the year	Disposals	Upto 31.03.2019
	Intangible assets							
Computer software - Acquired	31.28	-	-	31.28	14.24	6.24	-	20.48
Intangible assets under development as at March 31, 2019 - Nil								
					1,424,338.40			
								As at 31.03.2019
								10.80

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT
	01.04.2017	Additions	Disposals	31.03.2018	Upto 31.03.2017	Charge during the year	Disposals	Upto 31.03.2018
	Intangible assets							
Computer software - Developed - Acquired	19.78	11.50	-	31.28	-	5.54	-	14.24
Intangible assets under development as at March 31, 2018 - Nil								
					8.70			
								As at 31.03.2018
								17.04

Notes: 1 Impairment loss recognised during the year Rs.Nil (2018-Nil).



Albonair (India) Private Limited

Notes annexed to and forming part of the standalone financial statements

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.3 DEFERRED TAX ASSET (NET)		
a) Deferred tax liabilities	-	-
b) Deferred tax (assets)	0.37	0.37
	0.37	0.37

Notes:

- Refer Note 3.6 for details of deferred tax liabilities and assets.
- Deferred tax assets includes Unused tax credits (MAT credit entitlement) of Rs.0.37 Lakhs (March 2018: Rs.0.37 Lakhs).

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.4 NON - CURRENT - ADVANCE TAX ASSETS (NET)		
Advance Income tax (net of provision)	12.49	3.74
	12.49	3.74

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.5 OTHER NON-CURRENT ASSETS (Unsecured, considered good unless otherwise stated)		
a) Capital Advances		
Considered good	216.46	0.85
Considered doubtful	-	-
Less: Allowance for doubtful advances	-	-
	216.46	0.85
b) Balances with customs, port trust, central excise etc.		
Considered good	-	29.22
Considered doubtful	5.88	-
Less: Allowance for doubtful amounts	(5.88)	-
	-	29.22
	216.46	30.07

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.6 INVENTORIES		
(a) Raw materials and components	233.91	762.15
(b) Work-in-progress	35.09	135.65
(c) Finished goods	0.69	37.56
(e) Stores, spares and consumable tools	0.94	3.43
	270.63	938.79

Notes:

- Goods in transit included above comprises of:

Raw materials and components	0.29	73.27
------------------------------	------	-------
- Amount of inventories written down during the year and recognised as an expense

	-	3.75
--	---	------
- Cost of materials consumed (including cost of purchased goods) during the year

	1,018.95	1,247.26
--	----------	----------
- Provision for Non-moving/Slow Moving Inventory:

	22.95	-
--	-------	---



Notes annexed to and forming part of the standalone financial statements

1.7 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Unsecured, Considered good

Trade receivables

- Related parties (Refer Note 3.5)
- Others

As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
102.00	132.41
7.51	-
109.51	132.41

1.8 A. CASH AND CASH EQUIVALENTS

- i) Balances with Banks in Current account
- ii) Cash and stamps on hand

As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
326.73	56.35
0.39	0.55
327.12	56.90

1.9 CURRENT FINANCIAL ASSETS

Unsecured, Considered good

- a) Security deposits

As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
7.48	11.74
7.48	11.74

1.10 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

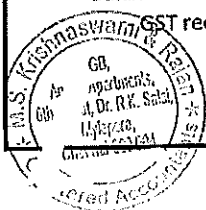
- a) Supplier advances
 - Considered good
 - Considered doubtful
- Less: Allowance for doubtful advances
- b) Balances with customs, port trust, central excise etc.
- c) Employee advances
- d) Prepaid expenses

As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
-	1.17
-	1.35
-	2.52
-	(1.35)
-	1.17
64.04	220.89
0.32	0.47
5.73	3.26
70.09	225.79

Of the above,

Balances with Government Authorities comprises of :-

GST receivable	64.04	220.89
----------------	-------	--------



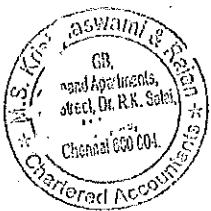
Albonair (India) Private Limited

Notes annexed to and forming part of the standalone financial statements

1.11 EQUITY SHARE CAPITAL	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Authorised 25,000,000 (March 2018: 15,000,000) Equity shares of Rs. 10 each	2,500.00	1,500.00
	2,500.00	1,500.00
Issued 25,000,000 (March 2018: 15,000,000) Equity shares of Rs. 10 each	2,500.00	1,500.00
	2,500.00	1,500.00
Subscribed and fully paid up 25,000,000 (March 2018: 15,000,000) Equity shares of Rs. 10 each	2,500.00	1,500.00
	2,500.00	1,500.00

Notes:

	As at March 31, 2019	As at March 31, 2018
1 Reconciliation of number of equity shares subscribed		
Balance as at the beginning of the year	15,000,000	15,000,000
Add: Issued during the year (Refer Note 3 below)	10,000,000	-
Balance as at end of the year	25,000,000	15,000,000
2 Shares issued in preceding 5 years		
Aggregate number and class of shares allotted for consideration other than cash, bonus shares etc. in the five years immediately preceding the Balance sheet date as on March 31, 2019 is Nil (2018: Nil)		
3 Shares held by the Holding Company		
Ashok Leyland Limited, the holding company, holds 25,000,000 (March 2018: 15,000,000) Equity shares of Rs.10 (March 2018: Rs.10) each aggregating to 100% (March 2018: 100%) of the total share capital.		
4 Rights, preferences and restrictions in respect of equity shares issued by the Company		
The equity shareholders are entitled to receive dividend as and when declared, a right to vote in proportion of holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue and the provisions of the Companies Act, 2013.		
5 On June 4, 2018, the company invited its shareholders to subscribe to a rights issue of 10,000,000 equity shares at an issue price of Rs.10 per share, with such shares to be issued on and rank for dividends on paripassu basis with other shares. The issue was fully subscribed.		



1.12 OTHER EQUITY	Note	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Retained Earnings			
Balance as at the beginning of the year		(1,120.25)	(733.91)
Add: Current year Loss		(222.26)	(386.15)
Add: Share Issue Expenses		(15.01)	-
Add/Less: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of income tax-Actuarial (gain)/ loss		(2.05)	0.19
		<u>(1,358.48)</u>	<u>(1,120.25)</u>

Refer "Statement of Changes In Equity" for additions / deletions in each reserve.

1.13 NON-CURRENT PROVISIONS

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Provision for employee benefits		
i. Compensated absences	15.20	18.42
ii. Others including post retirement benefits	16.18	18.34
	<u>31.38</u>	<u>36.76</u>

Note:

Refer Note 1.17 also.

1.14 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Total outstanding dues of micro, small and medium enterprises [Refer Note 1.14a]	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises*	442.24	1,648.42
	<u>442.24</u>	<u>1,648.42</u>

Note:

1.14a The Company has not received intimation from its suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable, as required under the said Act, have not been furnished.

These are carried at amortised cost

*For Trade Payables to Related party (Refer Note 3.5)

1.15 CURRENT - OTHER FINANCIAL LIABILITIES

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
a) Employee benefits	8.08	5.59
b) Others - Accrued expense	8.78	7.41
	<u>16.86</u>	<u>13.00</u>

1.16 OTHER CURRENT LIABILITIES

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Statutory dues payable	16.05	4.43
	<u>16.05</u>	<u>4.43</u>



Albonair (India) Private Limited

Notes annexed to and forming part of the standalone financial statements

1.17 CURRENT PROVISIONS	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
a) Provision for employee benefits		
i. Compensated absences	3.29	2.29
ii. Others including post retirement benefits	3.19	1.96
b) Others		
Product warranties	31.19	24.22
	37.67	28.47

Notes:

1. Movement in Provision for product warranties is as follows :

	March 2019	March 2018
Opening	24.22	10.59
Additions and Utilisations / Reversals - Net	6.97	13.63
Closing	31.19	24.22

The estimated provision for the obligations is recognised once the products are sold. The estimated provision takes into account historical information, frequency, average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents management's best estimate of the claims under the terms of understanding with Albonair GmbH, the vendor for the basic raw material. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the product.

2. Movement in Provision for Employee Benefits (Refer Note No. 1.13 and 1.17) is as follows :

		March 2019	March 2018
- Compensated Absences			
Opening		20.71	18.56
Additions and Utilisations / Reversals - Net		(2.22)	2.15
Closing		18.49	20.71
- Gratuity			
Opening		20.30	15.40
Additions and Utilisations / Reversals - Net		(0.93)	4.90
Closing		19.37	20.30



Albonair (India) Private Limited

Notes annexed to and forming part of the standalone financial statements

2.1 REVENUE FROM OPERATIONS

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
a) Sale of products (Refer Note 2.1(a))		
- Sale of Selective Catalytic Reduction (SCR)	1,109.04	1,550.10
- Others	40.44	-
b) Revenue from services	73.50	21.00
c) Other operating revenues		
- Scrap sales	0.58	0.75
	1,223.56	1,571.85

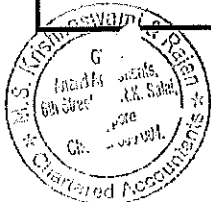
Note:

2.1(a) In accordance with the requirements of Ind AS, Revenue from Operations for the year ended March 31, 2019 is shown net of Goods and Service Tax (GST). However, Revenue from Operations for the three months ended June 30, 2017 (previous financial year) is shown inclusive of excise duty. For comparison purposes revenue excluding excise duty is given below:-

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations (Gross)	1,109.04	1,550.10
Less: Excise Duty	-	58.31
Revenue from operations (Net)	1,109.04	1,491.79

2.2 OTHER INCOME

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
a) Interest income from		
- Bank deposit	15.55	1.83
b) Other non-operating income		
- Foreign exchange gain (net)	22.53	-
	38.08	1.83



Albonair (India) Private Limited

Notes annexed to and forming part of the standalone financial statements

2.3 COST OF MATERIALS CONSUMED

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
Opening Stock	762.15	388.22
Add:- Purchases and expenses- net	353.28	1,674.87
	1,115.43	2,063.09
Less :- Closing Stock	233.91	762.15
Less: Cash discount earned	-	-
	881.52	1,300.94

Note:

Cost of Material consumed includes the items scrapped during the period amounting to Rs. 40.67 Lakhs (2017-18 : Nil)

2.3.1 Of the above,

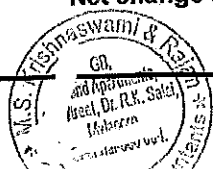
Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	%	Amount (Rs. Lakhs)	%	Amount (Rs. Lakhs)
1. Imported items	80%	705.22	80%	1,040.75
2. Indigenous items	20%	176.30	20%	260.19
		881.52		1,300.94

2.3.1 Consumption of Raw materials and Components Comprises

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i) SCR Housing	419.16	660.63
(ii) Urea tank	462.36	640.31
	881.52	1,300.94

2.4 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

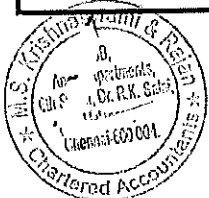
	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
A. Opening		
- Work-in-progress	135.65	119.53
- Finished Goods	37.56	-
	173.21	119.53
B. Closing		
- Work-in-progress	35.09	135.65
- Finished Goods	0.69	37.56
	35.78	173.21
Net change (A-B)	137.43	(53.68)



Albonair (India) Private Limited

Notes annexed to and forming part of the standalone financial statements

2.5 EMPLOYEE BENEFITS EXPENSE	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
a) Salaries, wages and gratuity*	231.53	205.15
b) Contribution to provident and other funds	9.66	7.94
d) Staff welfare expenses	9.38	13.51
	250.57	226.60
* Salaries, wages and gratuity includes:	Rs. Lakhs	Rs. Lakhs
(i) Unfunded Gratuity obligation	5.15	4.71
(ii) Compensated Absences	4.83	5.17
2.6 FINANCE COSTS	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
Interest expense	-	0.19
	-	0.19
2.7 DEPRECIATION AND AMORTISATION EXPENSE	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
A) Property, plant and equipment		
(ii) Plant and equipment	46.54	45.67
(iii) Furniture and fittings	0.27	1.50
(v) Office equipment	4.71	4.56
	51.52	51.73
B) Intangible assets		
(i) Computer software - Acquired	6.24	5.54
Total	57.76	57.27



Albonair (India) Private Limited

Notes annexed to and forming part of the standalone financial statements

2.8 OTHER EXPENSES

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
(a) Consumption of stores and tools	8.56	13.41
(b) Power and fuel	6.71	8.55
(c) Rent	29.41	28.62
(d) Repairs and maintenance		
- Buildings	5.38	8.02
- Plant and machinery	4.74	8.49
(e) Insurance	6.83	9.12
(f) Rates and taxes	0.14	0.23
(g) Service and product warranties	7.84	20.44
(h) Packing and forwarding charges	14.48	22.25
(i) Selling and administration expenses - net	29.97	51.14
(j) Consultancy and Professional charges	17.26	21.96
Less: Provision written back	(1.36)	-
	15.90	21.96
(k) Foreign exchange loss - net		150.08
(l) Payments to Auditor	1.50	1.50
(m) Travel Expenses	11.88	14.85
(n) Loss on discarded asset	0.56	-
(o) Miscellaneous Expenses	12.81	11.54
	156.72	370.20

Note:

Payment to Auditors comprise:

For Statutory Audit

For Taxation Matters

For Other matters

2019

1.00

0.50

-

2018

1.00

0.50

-

Company's obligation towards CSR expenditure

-

-



Albonair (India) Private Limited
Notes forming part of the Ind AS Financial Statements

Note 3 Additional Information

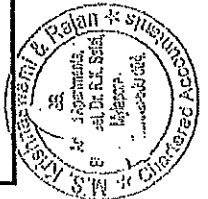
	Rs. In lakhs	
	2018-2019	2017-2018
3.1 Expenditure In Foreign Currency		
Purchase of Raw Material	9320	1190.83
Travelling Expenses - Foreign	413	413

	Rs. In lakhs	
	2018-2019	2017-2018
3.2 Earnings in Foreign Currency		
Export of goods on F.O.B basis	11781	18.08

3.3 Useful life for Tangible and Intangible asset
In terms of proviso to clause 3(i) of Part A to Schedule II to the Companies Act 2013 (the Act), the Company, after technical assessment decided to adopt the useful life/residual life for various categories of fixed assets, which are in following cases, different from those prescribed in Schedule II to the Companies Act 2013.

Asset Category	Useful Life (Years)
Plant and Equipment	20
Furniture and Fittings	8
Office Equipment	5
i) Computer Hardware	8
ii) Air Conditioner	20
iii) Office Equipment	5
iv) Can Analyzer Program	
Intangible Asset	
Computer Software	5

	Rs. In lakhs	
	2018-2019	2017-2018
3.4 CIF Value of Imports		
- Raw material and components	9320	1190.83
- Purchase of Fixed Assets		12.47



Albonair(India) Private Limited
Notes forming part of the Ind AS Financial Statements

3.5 Related party disclosure

a) List of Parties where control exists

Holding Company

Ashok Leyland Limited
(Holding Company)
Hinduja Automotive Limited, United Kingdom
(Holding company of Ashok Leyland Limited)
Machen Holdings SA
(Holding Company of Hinduja Automotive Limited, United Kingdom)
Machen Development Corporation, Panama
(Holding Company of Machen Holdings, SA)
Amas Holdings SA
(Holding Company of Machen Development Corporation, Panama)

b) Other related parties

Fellow Subsidiaries

Albonair (Taicang) Automotive Technology Co. Ltd, China
Ashok Leyland (Nigeria) Limited
Ashok Leyland (UK) Limited (since liquidated April 10, 2018)
LLC Ashok Leyland Russia
Ashok Leyland West Africa Ivory Coast
Gulf Ashley Motor Limited
Optare plc, UK
Optare UK Ltd.
Optare Group Ltd.
Jamesstan Investments Ltd.
Optare Holdings Ltd.
Optare (Leeds) Ltd.
East Lancashire Bus Builders Ltd.
Ashok Leyland (Chile) S.A.
Hinduja Housing Finance Limited
HLF Services Limited
Global TVS Bus Body Builders Limited
Ashok Leyland (UAE) LLC
Hinduja Auto Components Limited
Hinduja Leyland Finance Limited
Gulf Oil Lubricants India Limited
Albonair GmbH, Germany
Hinduja Energy (India) Limited
DA Stuart India Private Limited
Ashok Leyland Vehicles Limited (merged into ALL effective April 1, 2018)
Ashley Powertrain Limited (merged into ALL effective April 1, 2018)
Ashok Leyland Technologies Limited (merged into ALL effective April 1, 2018)

Joint Ventures of Holding Company

Ashley Alteams India Limited
Ashok Leyland John Deere Construction Equipment Company Private Limited
Hinduja Tech Limited

Associates of Holding Company

Ashley Aviation Limited
Ashok Leyland Defence Systems Limited
Lanka Ashok Leyland PLC
Mangalam Retail Services Limited

Controlled Trusts

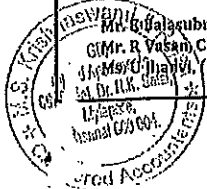
Phoenix ARC Trust
Ashok Leyland Educational Trust
Employee Related Trust (Provident Fund, Superannuation Trust, Gratuity Trust, Welfare Trust)

Directors

Mr. George Heribert Christoph Huethwohl
Mr. Seshu Bhagavathula
Mr. K C Sathyanarayanan
Mr. R. Sivanesan

Key Management Personnel

Mr. G. Balagubramanian (From August 30, 2018), Chief Executive Officer
Mr. R. Vasam, Chief Financial Officer
Mr. Dr. H.M. Sankar, (From 15 November 2018), Company Secretary



Albonair(India) Private Limited
Notes forming part of the Ind AS Financial Statements

3.5 Related party disclosure continued...
Significant Related Party Transactions:

	<i>Rs. In Lakhs</i>	
Name of the related party	2018-2019	2017-2018
Purchase of Raw material and components		
Albonair GmbH, Germany	71.13	715.76
Albonair (Taicang) Automotive Technology Co. Ltd., China	0.37	390.87
Purchase of Capital Goods		
Albonair GmbH, Germany		2.72
Sale of Spare Parts		
Albonair GmbH	11.78	18.08
Revenue from Services		
Ashok Leyland Limited	73.50	21.00
Sale of SCR (Net of Excise Duty/GST)		
Ashok Leyland Limited	1,109.04	1,439.15
Receipt of Services		
Hinduja Tech Limited	7.60	
Rent Expenses		
Ashok Leyland Limited	0.48	
Deputation Charges		
Ashok Leyland Limited		2.92
Reimbursement of expenses		
Albonair GmbH, Germany		
Remuneration to Key Managerial Personnel*		
Mr.R.Vasan	40.80	15.00

*excludes Contribution for gratuity and compensated absences as the incremental liability has been accounted for by the company as a whole

	<i>Rs. In Lakhs</i>	
Name of the related party	2018-2019	2017-2018
Balance as at the End of the year:		
Trade Receivable- from Ashok leyland Limited	90.06	105.87
Trade Receivable- from Albonair GmbH, Germany	11.94	26.54

	<i>Rs. In Lakhs</i>	
Name of the related party	2018-2019	2017-2018
Trade Payable -to Albonair GmbH, Germany	353.64	1,322.05
Trade Payable -to Ashok Leyland Limited		0.81
Trade Payable -to Albonair Automotive Technology Co. Ltd., China	0.38	214.31
Trade Payable -to Hinduja Tech Limited	7.60	

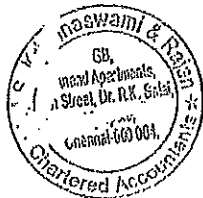


e) Income tax recognised in other comprehensive income	Rs. in Lakhs	
	March 31, 2019	March 31, 2018
Current tax		-
Deferred tax		-
Total income tax recognised in other comprehensive income		-

Items in other comprehensive income would result in a deferred tax asset which has not been accrued as a measure of prudence.

f) Deferred tax balances	Rs. In Lakhs	
	March 31, 2019	March 31, 2018
The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:		
Deferred tax assets-		
unabsorbed depreciation/expense restricted to	101.73	102.79
Deferred tax liabilities- Timing Difference	101.73	102.79
Net deferred tax asset/ (liabilities)		-

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.



Albonair(India) Private Limited
Notes forming part of the Ind AS Financial Statements

3.6 Income taxes relating to continuing operations continued...

h) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Particulars	Rs.in Lakhs	
	March 31, 2019	March 31, 2018
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- Unused tax losses	679.37	861.20
- Unabsorbed depreciation	188.35	185.10

Note: The unused tax losses will expire various years as per the Income Tax Act 1961 and the applicable rules.



Albonair (India) Private Limited
Notes forming part of the Ind AS Financial Statements

3.7 Retirement benefit plans

(i) Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund.

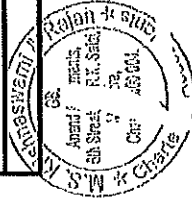
The total expense recognised in profit or loss of Rs 9.66 lakhs (for the year ended March 31, 2018: Rs 7.94 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

(ii) Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. Company's liability towards gratuity (unfunded), and compensated absences are actuarially determined at each reporting date using the projected unit credit method.

These plans typically expose the Company to actuarial risks such as: interest rate risk and salary risk.

Interest risk	A decrease in the bond interest rate will increase the plan liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



Alphonair (India) Private Limited
Notes forming part of the Ind AS Financial Statements

3.7 Retirement benefit plans continued..

(iii) The principal assumptions used for the purposes of the actuarial valuations were as follows.

	March 31, 2019	March 31, 2018
A. Gratuity		
Discount rate(s)	7.17%	7.60%
Expected rate(s) of salary increase	8.00%	10.00%
Average Longevity at retirement age - past service	3.40	3.70
Average Longevity at retirement age - future service	6.40	9.10
Attrition Rate	15.00%	10.00%
B. Compensated absences		
Discount Rate	7.17%	7.60%
Salary escalation rate	8.00%	10.00%
Attrition Rate	15.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(iv) Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

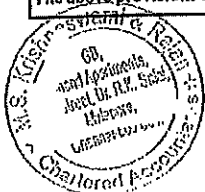
	Rs. in Lakhs	
	March 31, 2019	March 31, 2018
A. Gratuity		
Net interest expense	1.89	1.09
Current service cost	3.76	3.14
Past service cost	-	0.49
Components of defined benefit costs recognised in profit or loss	5.65	4.71
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(3.11)	(1.05)
Actuarial (gains)/losses arising from experience adjustments	1.06	1.24
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in other comprehensive income	(2.05)	0.19
B. Compensated absences		
Net interest expense	1.31	1.19
Current service cost	1.76	1.52
Past service cost	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	4.36	3.47
Actuarial (gains)/losses arising from experience adjustments	(2.80)	(1.01)
Components of defined benefit costs recognised in profit or loss	4.83	5.17

The past service cost, current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss. The remeasurement of the net defined benefit liability towards gratuity is included in other comprehensive income.

v) The amount included in the statement of financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

	Rs. in Lakhs	
	March 31, 2019	March 31, 2018
A. Gratuity		
Present value of defined benefit obligation	19.37	20.30
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation (unfunded)	19.37	20.30
B. Compensated absences		
Present value of defined benefit obligation	18.49	20.71
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	18.49	20.71

The above provisions are reflected under 'provision for employee benefits' (under provisions) Refer Note 1.13 and 1.17



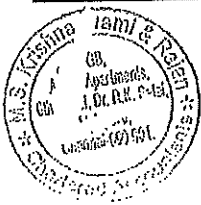
vi) Movements in the present value of the defined benefit obligation in the current year were as follows:

	<i>Rs. in Lakhs</i>	
	March 31, 2019	March 31, 2018
A. Gratuity		
Opening defined benefit obligation	20.30	15.41
Interest cost	1.99	1.08
Current service cost	3.76	3.14
Past service cost		0.49
Actuarial (gains)/losses arising from changes in demographic assumptions		
Actuarial (gains)/losses arising from changes in financial assumptions	(3.11)	(1.05)
Actuarial (gains)/losses arising from experience adjustments	1.06	1.24
Benefits paid	(4.03)	-
Closing defined benefit obligation	19.97	20.30
B. Compensated absences		
Opening defined benefit obligation	20.71	18.56
Interest cost	1.81	1.19
Current service cost	3.76	1.52
Past service cost		
Actuarial (gains)/losses arising from changes in demographic assumptions		
Actuarial (gains)/losses arising from changes in financial assumptions	1.56	3.47
Actuarial (gains)/losses arising from experience adjustments	(2.80)	(1.01)
Benefits paid	(7.05)	(3.01)
Closing defined benefit obligation	18.49	20.71

vii) Movements in the fair value of the plan assets in the current year were as follows:

	<i>Rs. in Lakhs</i>	
	March 31, 2019	March 31, 2018
A. Gratuity		
Opening fair value of plan assets		
Interest income		
Return on plan assets (excluding amounts included in net interest expense)		
Contributions	4.03	
Benefits paid	(4.03)	
Closing fair value of plan assets		
B. Compensated absences		
Opening fair value of plan assets		
Interest income		
Return on plan assets (excluding amounts included in net interest expense)		
Contributions	7.05	3.01
Benefits paid	(7.05)	(3.01)
Closing fair value of plan assets		

The actual return on plan assets was Rs. Nil (2017-18: Rs. Nil).



Albonair (India) Private Limited
Notes forming part of the Ind AS Financial Statements

vii) Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Gratuity		Compensated absences	
	2019	2018	2019	2018
If the discount rate is 50 basis points higher, the defined benefit obligation would decrease by Rs. in lakhs	0.52	0.01	0.48	0.70
If the discount rate is 50 basis points (lower), the defined benefit obligation would increase by Rs. in Lakhs	0.54	0.87	0.60	0.94
If the expected salary increases by 0.5%, the defined benefit obligation would increase by Rs. in Lakhs	0.50	0.87	0.50	0.81
If the expected salary (decreases) by 0.5%, the defined benefit obligation would decrease by Rs. in Lakhs	0.53	0.83	0.48	0.77
The Company expects to make a contribution to the defined benefit plans during the next financial year of Rs. in lakhs	2.02	1.70	2.16	1.44
The average duration of the benefit obligation in years	6.80	9.30	6.10	8.80

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.



Albonair(India) Private Limited
Notes forming part of the Ind AS Financial Statements

3.8 Revenue from contracts with customers

1. Disaggregated revenue information

Particulars	Rs. in Lakhs	
	March 31, 2019	
Type of goods and service		
a) Sale of products		
- Sale of Selective Catalytic Reduction (SCR)	1,109.04	
- Others	40.47	
b) Revenue from services	73.50	
c) Other operating revenues		
- Scrap sales	0.58	
Less: Rebates and discounts		
Total revenue from contract with customers	1,223.56	
India	1,211.78	
Outside India	11.78	
Total revenue from contract with customers	1,223.56	

Timing of revenue recognition

Particulars	Rs. in Lakhs	
	March 31, 2019	
	At a point in time	Over a period of time
- Sale of products and other operating income	1,150.06	
- Revenue from Services - Freight and Insurance		
- Revenue from Services - AMC, EWP and Others	73.50	
Less: Rebates and discounts		
Total revenue from contract with customers	1,223.56	

2. Contract balances

Particulars	Rs. in Lakhs	
	March 31, 2019	
Trade receivables	109.54	
Contract assets		
Contract liabilities		

Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days.

3. Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Rs. in Lakhs	
	March 31, 2019	
Revenue as per contracted price	1,223.56	
Adjustments:-		
Rebates and discounts		
Revenue from contract with customers	1,223.56	

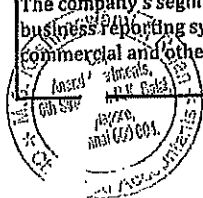
* Pursuant to transitional provision in Ind AS 115, the relevant disclosures for the comparative period are not disclosed

4. Changes in accounting policy - on account of adoption of Ind AS 115

The Company applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the company recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at 1 April 2018. Comparative prior period has not been adjusted. The Company has applied the revenue standard only to contracts that are not completed as at the date of initial application. The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from Contracts with customer on the financial results of the company for the year ended March 31, 2019 and other adjustments as at March 31, 2019 on adoption of Ind AS 115 is Nil.

3.8.1 Segment Reporting

The company's segments are identified as business segment based on nature of products, risks, returns and the internal business reporting system. The company is principally engaged in single business segment viz, exhaust treatment systems for commercial and other vehicles.



3.9 Financial Instruments

Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, and other long-term/short-term borrowings.

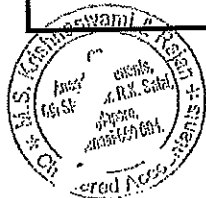
The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Gearing Ratio:

	March 31, 2019	Rs. In lakhs March 31, 2018
Debt		
Less: Cash and bank balances	327.12	56.90
Net debt	(327.12)	(56.90)
Total equity	2,500.00	1,500.00
Net debt to total equity ratio	NA	NA

Categories of Financial Instruments:

	March 31, 2019	Rs. In lakhs March 31, 2018
Financial assets		
<u>Measured at amortised cost:</u>		
Cash and bank balances	327.12	56.90
Trade Receivables	109.51	132.41
Other Current Financial Asset-Security Deposit	7.48	11.74
Financial liabilities		
<u>Measured at amortised cost:</u>		
Trade Payables	442.24	1,648.42
Others	16.86	13.00



Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.



3.9 Financial Instruments continued...

Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures and uses natural hedging to mitigate the risks from such exposures. The use of such hedging is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2019 (all amounts are in equivalent Rs. in lakhs):

Currency	Liabilities	Assets	Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Gross exposure	
EUR	357.22		357.22

As on March 31, 2018 (all amounts are in equivalent Rs. in lakhs):

Currency	Liabilities	Assets	Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Gross exposure	
EUR	1,465.80		1,465.80

Foreign currency sensitivity analysis:

Movement in the functional currencies of the operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and consequently may increase the cost of financing the Company's expenditures.

The following table details the Company's sensitivity movement in the foreign currencies. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%. 2% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

EUR impact	Rs. In lakhs	
	Equity	Profit or loss
March 2019		7.14
March 2018		29.32

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.



3.9 Financial Instruments continued...

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds floating interest rates. All borrowings are repaid and the Company has no liability for the year ended March 31, 2019.



3.9 Financial Instruments continued...

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has transactions only with the related parties which are disclosed in Note 3.5 and thereby the risk of credit is negligible.

The Company does not have significant credit risk exposure since the Holding Company is its main customer.

The Company, thus has Nil expected credit loss allowance for trade receivable after considering historical credit loss experience and adjusted for forward-looking information.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, and other financial assets excluding equity investments.

Offsetting related disclosures:

Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.



3.9 Financial Instruments continued...

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund based working capital lines from bank.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

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

Particulars	Rs. In Lakhs	
	March 31, 2019	March 31, 2018
Expiring within one year (bank overdraft and other facilities)		
- Secured		100.00
- Unsecured		-
Total		100.00

Liquidity tables:

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Rs. In lakhs			
	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2019				
Trade payables	442.24			
Other financial liabilities	16.86			
	459.10			
March 31, 2018				
Trade payables	1,648.42			
Other financial liabilities	13.00			
	1,661.42			

The Management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.



Albonair (India) Private Limited
Notes forming part of the Ind AS Financial Statements

	<i>Rs. In lakhs</i>	
3.11 Earnings per share	Year ended March 31, 2019	Year ended March 31, 2018
Basic and diluted earnings per share		
Total basic and diluted earnings per share	(0.98)	(2.58)

Basic and Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows.

	<i>Rs.in Lakhs</i>	
	Year ended March 31, 2019	Year ended March 31, 2018
Earnings used in the calculation of basic and diluted earnings per share	(222.26)	(386.53)

	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	Nos. 22,643,836	Nos. 15,000,000



Allsonair (India) Private Limited
Notes forming part of the Ind AS Financial Statements

Rs. in Lakhs

3.12 Commitments	March 31, 2019	March 31, 2018
Capital commitments remaining to be executed with respect to Property, Plant and Equipment and not provided for	330.30	

3.13 Net debt reconciliation:

Particulars	As at March 31, 2019	As at March 31, 2018
	<i>Rs. Lakhs</i>	<i>Rs. Lakhs</i>
1. Cash and cash equivalents	327.12	56.90
2. Liquid investments		
3. Current borrowings		
4. Non-current borrowings		
Net debt	327.12	56.90

Rs. in Lakhs

Particulars	Other assets		Liabilities from financing activities			Total
	Cash and bank overdraft	Liquid investments	Finance lease obligations	Non-current borrowings	Current borrowings	
Net debt as at March 31, 2018	56.90	-	-	-	-	56.90
Cash flows	270.22	-	-	-	-	270.22
Net debt as at March 31, 2019	327.12	-	-	-	-	327.12



Albonair(India) Private Limited
Notes forming part of the Ind AS Financial Statements

3.14 Contingent Liability

The Supreme Court, in a recent decision and the related circular issued by the Employees' Provident Fund Organisation dated March 20, 2019 deal with non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In this connection, it is clarified that the Company has complied with the law applicable and therefore, believes that the above decision/Circular is not likely to have a significant impact on these Financial Statements.

3.15 Figures for the previous year have been regrouped or reclassified wherever necessary to make them comparable with current year figures

On behalf of the Board

George Heribert Christoph Huethwohl
Director
DIN: 02697561

K C Sathyanarayanan
Director
DIN : 08087454

E. Balasubramoni
Chief Executive Officer
DIN: 07990377

U. Jhanvi
Company Secretary

R. Vasan
Chief Financial Officer

Date: May 21, 2019
Place: Chennai

