

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF GLUHEND INDIA PRIVATE LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **Gluhend India Private Limited** ("the Company"), for the year ended 31 March 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DFI/69/2016 dated 10 August 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DFI/69/2016 dated 10 August 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and Total comprehensive loss and other financial information of the Company for the year ended 31 March 2019.

5. Emphasis of Matter

We draw attention to Note 9 to the Statement, which describes matters relating to non-compliances with certain provisions of the Companies Act, 2013 with respect to presentation and adoption of audited financial statements before the shareholders in the Annual General Meeting and submission of audited financial results to stock exchange within the prescribed time pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly the Company could be liable to certain penal provisions for the said non-compliances under the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consequential impact of these non-compliances, including the liability for penal charges, if any, on the Statement is presently not ascertainable.

Our opinion is not modified in respect of this matter.

6. The Statement includes the results for the six months ended 31 March 2019 being the balancing figures between audited figures in respect of the full financial year and the restated figures for six months ended 30 September 2018 prepared in accordance with recognition and measurement principles of Ind AS included in this Statement, prior to giving effect of the adjustments described in Note 5 of the Statement relating to incorrect accounting and related presentation and disclosure for Compulsory Convertible Preference Share ('CCPS') and Income from export benefits, were subject to limited review by the predecessor auditor.
7. The comparative financial information of the Company for the period 22 December 2017 to 31 March 2018 prepared in accordance with Ind AS included in this Statement, prior to giving effect of the adjustments described in Note 5 of the Statement relating to incorrect accounting and related presentation and disclosure for Compulsory Convertible Preference Shares ('CCPS') and Income from export benefits, have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 29 February 2020 expressed an unmodified opinion.

8. We have audited the adjustments to reflect the effects of the correct accounting for CCPS and Income from export benefits described in Note 5 to restate the financial results as at 31 March 2018 and for the period 22 December 2017 to 31 March 2018 and reviewed these adjustments for six months ended 30 September 2018. In our opinion, such adjustments relating to as at 31 March 2018 and for the period 22 December 2017 to 31 March 2018 are appropriate and have been properly applied. As per our review, nothing has come to our attention that causes us to believe that such adjustments relating to for the six months ended 30 September 2018 are not appropriate and have not been properly applied. We further state that we were not engaged to audit, review or apply any procedures to the financial information of the Company as at and for the period 22 December 2017 to 31 March 2018 and for the six months ended 30 September 2018 other than with respect to the aforesaid adjustments and, accordingly, we do not express an opinion or review conclusion or any other form of assurance on the financial information as at 31 March 2018 and for the period 22 December 2017 to 31 March 2018 and for six months ended 30 September 2018 as a whole.

Our opinion is not modified in respect of matters stated in paragraphs 6, 7 and 8 above.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

SATPAL SINGH ARORA
Partner
(Membership No. 098564)
UDIN : 20098564AAAABI7155

Place: New Delhi
Date: 15 July 2020

GLUHEND INDIA PRIVATE LIMITED

CIN: U74994MH2017FTC303216

Corporate Office : 346, Patparganj Industrial Area, Patparganj, Delhi, 110092

Regd. Office : 23, Floor-2, Plot-59/61, Arsiwala Mansion Nathalal Parikh Marg, Colaba, Mumbai - 400005, Maharashtra

Statement of Standalone Financial Results for the year ended 31 March 2019

(All Amounts in Rs. Millions, unless otherwise stated)

Particulars		For the six months ended 31 March 2019	For the year ended 31 March 2019	For the period 22 December 2017 to 31 March 2018
		[Refer note 6(ii)]	(Audited)	(Restated) [Refer note 4, 5 and 6(i)]
I	Revenue from operations			
	(a) Revenue from Operations	2,008.42	3,461.50	47.43
	(b) Other Operating Revenue	162.94	258.58	9.77
	Total revenue from operations	2,171.36	3,720.08	57.20
II	Other Income	-	99.79	3.06
III	Total income (I +II)	2,171.36	3,819.87	60.26
IV	Expenses			
	(a) Cost of materials consumed	1,137.41	1,915.51	66.05
	(b) Changes in inventories of finished goods and work-in-progress	(331.58)	(409.79)	(90.21)
	(c) Employee benefits expense	378.60	636.71	25.41
	(d) Finance costs	266.58	547.41	29.68
	(e) Depreciation and amortisation expense	82.33	161.06	5.63
	(f) Other expenses	701.64	1,173.71	377.77
	Total expenses	2,234.98	4,024.61	414.33
V	Loss before tax (III-IV)	(63.62)	(204.74)	(354.07)
VI	Tax expense			
	(a) Current tax	(11.28)	(11.28)	-
	(b) Deferred tax	17.69	29.05	16.78
	Total tax expense	6.41	17.77	16.78
VII	Loss for the period / year (V-VI)	(70.03)	(222.51)	(370.85)
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement of post employment benefit obligation	(6.27)	(12.54)	(0.75)
	(b) Income tax relating to above item	2.20	4.39	0.26
	Other Comprehensive Income for the period / year	(4.07)	(8.15)	(0.49)
IX	Total Comprehensive Income for the period / year (VII+VIII)	(74.10)	(230.66)	(371.34)
X	Paid up equity share capital (Face value of the share Rs.10 each)	321.23	321.23	321.23
XI	Other Equity		(567.24)	(369.59)
XII	Earnings per equity share (EPS) of Rs. 10 each #:			
	(a) Basic (In Rupees)	(0.31)	(1.14)	(25.49)
	(b) Diluted (In Rupees)	(0.31)	(1.14)	(25.49)
XIII	Net Debt Equity Ratio (refer note (a) below)		1.85	1.94
XIV	Debt Service Coverage Ratio (refer note (b) below)		0.90	(13.30)
XV	Interest Service Coverage Ratio (refer note (c) below)		0.55	(13.32)

Notes :

(a) Net Debt to Equity : Net Debt / Average Equity

(Net Debt : Non current borrowings + Current maturities of non current borrowings + Current borrowings - Cash and bank balances)

(Equity : Equity Share Capital + Other Equity + Compulsorily convertible preference shares)

As Compulsorily convertible preference shares (CCPS) will mandatorily be converted into equity shares, hence the same has been considered as part of equity and not debt for the purposes of computation of net debt to equity ratio.

(b) Debt Service Coverage Ratio : (Profit before tax + Depreciation + Interest on long term borrowings) / (Interest on long term Borrowings + Repayment of long term borrowings during the year)

(c) Interest Service Coverage Ratio : Earnings before interest and tax (EBIT) / Interest on borrowings
(EBIT : Profit before tax + interest on borrowings)

EPS is not annualised for the six months ended 31 March 2019 and for the period 22 December 2017 to 31 March 2018.

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Statement of Standalone Assets and Liabilities as at 31 March 2019

(All Amounts in Rs. Millions, unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
		(Restated) [Refer note 4, 5 and 6(i)]
A. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	933.41	921.98
(b) Capital work-in-progress	94.79	84.62
(c) Goodwill	2,177.72	2,177.72
(d) Other Intangible assets	445.03	454.84
(e) Investment in subsidiary	647.65	44.89
(f) Financial assets		
(i) Loans	1.52	0.94
(ii) Other financial assets	16.99	17.51
(g) Non-current tax assets (net)	299.29	7.24
(h) Other non-current assets	22.39	14.74
Total non-current assets	4,638.79	3,724.48
(2) Current assets		
(a) Inventories	1,274.00	769.41
(b) Financial assets:		
(i) Investments	4.76	1.02
(ii) Trade receivables	734.64	823.42
(iii) Cash and cash equivalents	117.74	510.01
(iv) Bank balances other than (iii) above	9.82	64.16
(v) Loans	2.03	2.60
(vi) Other financial assets	4.20	2.76
(c) Other current assets	462.18	294.54
Total current assets	2,609.37	2,467.92
Total Assets	7,248.16	6,192.40
B. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	321.23	321.23
(b) Other equity	(567.24)	(369.59)
Total equity	(246.01)	(48.36)
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Compulsorily convertible preference shares	2,199.17	1,517.22
(ii) Borrowings	2,838.61	3,126.17
(iii) Other financial liabilities	155.21	8.52
(b) Provisions	71.89	72.27
(c) Deferred tax liabilities (net)	244.72	220.06
(d) Other non-current liabilities	8.96	0.49
Total non-current liabilities	5,518.56	4,944.73
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	290.61	100.23
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	138.95	30.50
Total outstanding dues of other than micro enterprises and small enterprises	540.29	305.00
(iii) Other financial liabilities	949.02	772.72
(b) Provisions	35.20	17.21
(c) Other current liabilities	21.54	70.37
Total current liabilities	1,975.61	1,296.03
Total Equity and Liabilities	7,248.16	6,192.40

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Notes to the Statement of Standalone Financial Results :

- These standalone financial results have been reviewed and approved by the Board of Directors of the Company in its meeting held on 15 July 2020.
- These standalone financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in accordance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DF1/69/2016 dated 10 August, 2016.
- The Company is primarily engaged in the business of manufacturing of electrical wiring accessories and fittings and hence has only one reportable operating segment as per Ind AS 108 - Operating Segments. The Company mainly caters to international markets. During previous period, Sage Metals Private Limited ('SMPL' - erstwhile subsidiary company) got merged with the Company with effect from appointed date i.e. 13 March 2018. (Refer note 4)

4 Business combination : Merger of Sage Metals Private Limited with Gluhend India Private Limited ("the Company")

The Board of Directors of Gluhend India Private Limited ("the Company"), at their meeting held on 10 December 2018, had approved the Scheme of Amalgamation ("the Scheme") of Sage Metals Private Limited ("the Subsidiary" or "SMPL" or "Transferor Company") with Gluhend India Private Limited ("GIPL" or "Transferee Company") with an appointed date of 13 March 2018 ("Appointed Date"). During the year, the Company has filed an application with Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench under section 230 to 232 and other applicable provisions of the Companies act, 2013.

Subsequent to the year end, Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 20 June 2019 approved the Scheme of Amalgamation of SMPL with the Company under Section 230 and 232 and other applicable provisions of Companies Act, 2013 with effect from the appointed date i.e. 13 March 2018. The Scheme became effective upon filing of the aforesaid order with Registrar of Companies ('ROC') on 25 July 2019.

Pursuant to the Scheme becoming effective, the Transferee Company has accounted for the amalgamation of the Transferor Company with the Transferee Company in its books of account in accordance with the 'Acquisition Accounting' method prescribed under India Accounting Standards 103 on Business Combinations and any other Indian Accounting Standards, as applicable and notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

In terms of the scheme, all the assets and liabilities of the Transferor Company (including off balance sheet assets and liabilities) have been recorded at their respective fair values as at the Appointed Date in the books of account of the Transferee Company.

5 Previous period restatement

During the current year, the management of the Company identified errors relating to accounting and related presentation and disclosures for Compulsory Convertible Preference Share ('CCPS') and Income from export incentives relating to the transactions occurred during the previous period. The management of the Company has restated previous period post merger financial information and the impact of the same is as under :

Particulars	(Amount in Rs. Millions)		
	Amount before re-statement [Refer note 6(i) below]	Impact of restatement	Restated amount as at 31 March 2018
Goodwill (Refer note (ii) below)	2,215.69	(37.97)	2,177.72
Other current assets			
- Export benefit receivable (Refer note (ii) below)	14.43	37.97	52.40
Equity			
- Preference share capital (Refer note (i) below)	1,356.91	(1,356.91)	-
Other equity			
- Retained earnings (Refer notes (i) and (ii) below)	(371.56)	0.22	(371.34)
Non-current financial liabilities			
- Compulsorily convertible preference shares (Refer note (i) below)	-	1,517.22	1,517.22
- Liability component of preference shares (Refer note (i) below)	162.19	(162.19)	-
Deferred tax liabilities (Refer note (ii) below)	218.40	1.66	220.06
Finance costs (Refer note (i) below)	31.56	(1.88)	29.68
Profit / (loss) before tax (Refer note (i) below)	(355.95)	1.88	(354.07)
Tax expense			
- Deferred tax (Refer note (ii) below)	15.12	1.66	16.78
Profit / (loss) after tax (Refer notes (i) and (ii) below)	(371.07)	0.22	(370.85)
Total comprehensive income / (loss) (Refer notes (i) and (ii) below)	(371.56)	0.22	(371.34)

Notes:

- In the previous period, the Company had accounted for CCPS as compound financial instrument. CCPS of Rs. 1,517.22 million were discounted and recorded as liability (borrowings) at 160.30 million. Balance CCPS amounting to Rs. 1,356.91 million were disclosed under Equity. Further, at year end, finance costs of Rs. 1.88 million was recognised and included along with liability component of CCPS. The Company in current year has revised the accounting for CCPS and has treated the same as hybrid financial instrument having two components i.e. financial liability carried at amortised cost and embedded derivative carried at fair value.
 - In the previous period, the Company was recognising the income from export incentives on actual receipt of licenses rather than recognising the income from export incentives when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Export incentives pertaining to period prior to 13 March 2018 (i.e. appointed date for merger) amounting to Rs. 37.97 million has been adjusted with goodwill with corresponding impact in other current assets. Further, Deferred tax liabilities amounting to Rs. 1.66 million has also been adjusted in the statement of profit and loss for the period ended 31 March 2018.
- (i) The Company was incorporated on 22 December 2017. Predecessor auditors of the Company had issued an opinion dated 29 February 2020, on the special purpose standalone financial statements of the Company as at 31 March 2018 and for the period ended 22 December 2017 to 31 March 2018, after giving effect to scheme of amalgamation as stated in note 4 above. The comparative financial information included in these Statement of Standalone Assets and Liabilities as at 31 March 2018 and the financial results for the period 22 December 2017 to 31 March 2018 is after giving effect of the restatement adjustments as stated in note 5 above, to the previously issued special purpose standalone financial statements.

Comparative figures in the standalone financial results are for the period 22 December 2017 (date of incorporation of the Company) till 31 March 2018 and are hence not comparable with current year figures.

- The Statement includes the results for the six months ended 31 March 2019 being the balancing figures between audited figures in respect of the full financial year and the special purpose restated unaudited standalone financial results for six months ended 30 September, 2018 prepared in accordance with recognition and measurement principles of Ind AS, after giving effect of the adjustments described in Note 5 above related to incorrect accounting and related presentation and disclosure for Compulsory Convertible Preference Share ('CCPS') and Income from export benefits. The special purpose restated unaudited standalone financial results as at and for the half year ended 30 September, 2018 were reviewed by predecessor auditors of the Company prior to giving effect of adjustments as stated in note 5 above.

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7 The disclosure required as per provision of Regulation 52(4) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is given below :

- (i) The listed 12.9% non convertible debentures (NCD's) of the Company aggregating to Rs. 3,175.00 million as on 31 March 2019 are secured by way of mortgage / charge on Company's fixed and current assets and is further guaranteed by its Holding Company.
- (ii) Debenture Redemption Reserve has not been created by the Company as the Company does not have any profits during the current / previous period.
- (iii) As per rating issued in March 2020, Non Convertible Debentures (NCD's) of the Company were rated BWR B with high risk of default by Brickwork Rating Private Limited.
- (v) The details of due date for payment of interest / repayment of principal of NCD's is given in table below :

Particulars	Previous payment date	
	Principal	Interest
12.90% Secured, Listed Non Convertible Debentures	-	12 March 2019
	Next Payment date	
	Principal	Interest
12.90% Secured, Listed Non Convertible Debentures	12 September 2019	12 June 2019

Notes :

- (a) The debentures issued carries an interest rate of 12.90%. Out of 12.90%, 8.00% shall be payable on a quarterly basis to the lenders and the balance interest will be deferred and added back to principal amount on quarterly basis.
- (b) The debentures shall be partly redeemed (10% of face value amounting to Rs. 317.50 million) on 12 September 2019 along with proportionate deferred interest amount. The balance principal amount along with deferred interest shall be redeemed on 30 June 2021.
- 8 The Company has accumulated losses of Rs. 602.00 million as at 31 March 2019 (As at 31 March 2018 Rs. 371.34 million), resulting in a complete erosion of its net worth as of 31 March 2019. However, CCPS amounting to Rs. 2,199.17 million (As at 31 March 2018 : 1,517.22 million) disclosed as non current financial liability in the standalone financial results will be converted into equity share capital in future. The ability of the Company to continue as a going concern is dependent on the improvement of the Company's future operations and continued financial support from Delos Investment Fund II, LP, the Ultimate Holding Entity. The standalone financial results of the Company have been prepared on the basis that the Company is a going concern as the Ultimate Holding Entity has confirmed to provide such financial support as and when the need arises. Accordingly, the financial results do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.
- 9 Pursuant to section 96 of the Companies Act, 2013 the Company obtained an extension to hold its Annual General Meeting ("AGM") unto 31 December, 2019. The audited standalone financial statements of the Company for the year ended 31 March 2019 could not be presented at the AGM held on 31 December 2019 as the financial close and reporting process was in progress. Further, the Company is in non-compliance with respect to submission of audited financial results to stock exchange within the prescribed time pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The standalone financial statements would be presented in the adjourned Annual General Meeting to be conducted by the Company, the date for which has not been finalised, and consequently will also be submitted to stock exchange. Accordingly the Company could be liable to certain penal provisions for the said non-compliances under the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consequential impact of these non-compliances, including the liability for penal charges, if any, on the standalone financial results is presently not ascertainable and have accordingly not been recorded in the standalone financial results.

10 Subsequent events

The Company had closed all its manufacturing plants and offices with effect from 24 March 2020 following countrywide lockdown due to Covid-19. Subsequently, the Company has gradually resumed its operations across all the plants adhering to the safety norms prescribed by the Government of India.

The Company has assessed the impact of Covid-19 pandemic on its business operations and has considered relevant internal and external information available up to the date of approval of these standalone financial results, in determination of the recoverability and carrying value of property, plant and equipment, goodwill, inventories, and trade receivables. Based on current estimates, the Company expects the carrying amount of these assets will be recovered. Further, the management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term. The Company will continue to monitor any material changes to future economic conditions.

The management has concluded that the COVID-19 outbreak is non-adjusting event as defined under Ind AS 10 "Events after the Reporting Period".

- 11 Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 01 April, 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any significant impact on the standalone financial results of the Company.
- 12 The figures for the previous period have been regrouped wherever necessary, to make them comparable to current year classifications.

Place : New Delhi
Date: 15 July 2020

Digitally signed
by VATSAL
SOLANKI
Date: 2020.07.15
12:21:08 +05'30'
Vatsal Manoj Solanki
Managing Director
(DIN : 08659135)