INDEPENDENT AUDITOR'S REPORT

To the Members of IKIO Lighting Limited (formerly IKIO Lighting Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of IKIO Lighting Limited (formerly IKIO Lighting Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of 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, 2022, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 the Act and 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 audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The other information comprises the information included in the Annual report 2021-22 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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, the Management and the Board of Directors are 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) 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.

Other Matters

The comparative financial information of the company for the year ended March 31, 2021 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards specified under Section 133 of the Act read with the relevant rules issued there under and other accounting principles generally accepted in India audited by us and our report for the year ended March 31, 2021 dated November 29, 2021 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

The comparative financial information of the company for the transition date Opening balance sheet as at April 1, 2020 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards specified under Section 133 of the Act read with the relevant rules issued there under and other accounting principles generally accepted in India audited by the predecessor auditor whose report for the year ended March 31, 2020 dated December 18, 2020 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;

e. On the basis of the written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private limited company during the year ended March 31, 2022, the provisions of section 197 of the Act are not applicable to the Company.

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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 37 to the Ind AS financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company;

(iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year and until the date of this report.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Pranav Jain

Pranav Jain
Partner
Membership No. 098308

UDIN: 22098308ANUJXP4969

Date: 22/6/2022
Place: Noida

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of IKIO Lighting Limited (formerly IKIO Lighting Private Limited) on the financial statements for the year ended March 31, 2022]

To the best of our information and according to the information, explanations, and written representations provided to us by the Company and the books of account and other records examined by us in the normal course of audit we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of following immovable properties which have been pledged as security for loans taken by the Company, have been verified from the pledge documents.

Description of property	Gross Carrying Value (Amount In Million)
Industrial Land and Building, Plot No-102, Sector 7, Industrial Area II E, Ranipur, Sidkul, Distt- Haridwar.	70.44

The properties where the Company is the lessee, the lease agreements are duly executed in favour of the lessee.

(d) The Company has not revalued its Property, Plant and Equipment (and Right of Use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods in transit. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory. Discrepancies noticed on physical verification have been properly dealt with in the books of accounts.

(b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks based on the security of current assets during the year. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods.

(iii) The Company has not made any investment in, provided security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year.

The Company has not granted any loans or advances in the nature of loans. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

The Company has provided guarantee to a company during the year. The details of the same are given below:

Particulars	Guarantees
Aggregate amount during the year - Others	Rs. 10.32 million
Balance outstanding as at balance sheet date - Others	Rs. 149.22 million

(b) The guarantees provided to others in earlier years are not, prima facie, prejudicial to the interest of the Company.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.

(v) The Company has not accepted any deposits and there are no amounts which have been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and the rules framed there under and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(Amount in million)

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks (if any)
Sales Tax Act	Demand Under Sales Tax	25.10	Nil	2017-18	Joint Commissioner (Appeal) Dehradun (UK)	Appeal filed on 13 April 2022

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and other lenders and written representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the written representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) (a) and (b) of the Order is not applicable to the Company.

The Company is not a Core Investment Company and there are no Core Investment Companies in the Group. Accordingly, reporting under clause 3(xvi) (c) and (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII of the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The Company has not undertaken any ongoing projects in relation to its CSR activities. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

(xxi) The Company is not required to prepare Consolidated Financial Statements. Accordingly, reporting under clause 3(xxi) of the Order is not applicable to the Company.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Pranav Jain
Partner
Membership No. 098308

UDIN: 22098308ANUJXP4969

Date: 22|2|2022
Place: Noida

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of IKIO Lighting Limited (formerly IKIO Lighting Private Limited) on the financial statements for the year ended March 31, 2022]

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 IKIO Lighting Limited (formerly IKIO Lighting Private Limited) ("the Company") as of March 31, 2022 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 ICAI.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Pranav Jain
Partner
Membership No. 098308

UDIN: 22098308ANUJXP4969

Date: 22/6/22
Place: Noida

IKIO Lighting Limited

(Formerly IKIO Lighting Private Limited)

Balance Sheet as at March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

	Note	March 31, 2022	March 31, 2021	April 01, 2020
Assets				
Non-current assets				
Property, plant and equipment	3	168.45	153.93	149.97
Intangible assets	4	0.46	0.50	1.03
Right of use of assets	5	3.36	-	-
Financial assets				
(i) Other financial assets	6	1.63	0.86	0.77
Deferred tax assets (net)	7	4.15	4.11	1.38
Non Current Tax asset (Net)	8	2.10	2.10	0.13
Other non current assets	9	8.66	1.34	0.39
		188.81	**162.84**	**153.67**
Current assets				
Inventories	10	562.35	315.97	169.44
Financial assets				
(i) Trade receivables	11	259.69	156.38	46.40
(ii) Cash and cash equivalents	12	6.50	1.93	66.04
(iii) Bank balances other than cash and cash equivalents	13	-	0.01	0.49
(iv) Others	14	1.09	1.09	0.87
Other current assets	15	107.63	102.79	72.89
Total current assets		**937.26**	**578.17**	**356.13**
Total		**1,126.07**	**741.01**	**509.80**
Equity and liabilities				
Equity				
Equity share capital	16	250.00	0.50	0.50
Other equity	17	514.41	482.66	276.02
		764.41	**483.16**	**276.52**
Non-current liabilities				
Financial liabilities				
(i)Borrowings	18	11.08	20.88	26.57
(ii)Lease liabilities	19	1.91	-	-
Provisions	20	7.83	5.33	3.62
Deferred tax liability (net)	21	-	-	-
		20.82	**26.21**	**30.19**
Current liabilities				
Financial liabilities				
(i)Borrowings	21	147.22	28.72	51.20
(ii)Lease liabilities	22	1.40	-	-
(iii)Trade payables	23			
- total outstanding dues of micro and small enterprises; and		34.20	16.01	0.78
- total outstanding dues of creditors other than micro and small enterprises		106.07	159.39	137.77
(iv)Other financial liabilities	24	30.51	16.09	10.64
Other current liabilities	25	4.13	9.74	2.60
Provisions	26	4.46	1.69	0.10
Current Tax Liabilities (net)	27	12.85	-	-
Total current liabilities		**340.84**	**231.64**	**203.09**
Total liabilities		**361.66**	**257.85**	**233.28**
Total equity and liabilities		**1,126.07**	**741.01**	**509.80**
Summary of significant accounting policies	1 & 2			

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

As per our report of even date.

For BGJC & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 003304N/N500056

Pranav Jain
Partner
Membership No. 098308

Place: NOIDA
Date: 22/06/2022

BGJC & ASSOCIATES LLP
New Delhi
Chartered Accountants

IKIO LIGHTING LTD.

For and on behalf of the Board of Directors of IKIO Lighting Limited

Hardeep Singh
Managing Director
DIN: 00118729

Place: Indianapolis (USA)
Date: 22/06/2022

Surmeet Kaur
Director
DIN: 00118695

Place: Indianapolis
Date: 22/06/2022 (USA)

Subhash Agrawal
CFO

Place: NOIDA
Date: 22/06/2022

Sandeep Agarwal
Company Secretary
M. No.: 066255

Place: Noida
Date: 22/06/2022

IKIO Lighting Limited

(Formerly IKIO Lighting Private Limited)

Statement of Profit and Loss for the year ended March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue			
Revenue from operations	28	2,198.95	1,596.63
Other income	29	8.24	3.76
Total revenue (I)		**2,207.19**	**1,600.39**
Expenses			
Cost of materials consumed	30	1,523.50	1,052.30
Change in inventories	31	(68.06)	7.32
Employee benefits expenses	32	263.82	194.40
Finance costs	33	5.34	5.61
Depreciation and amortisation expenses	34	24.47	24.60
Other expenses	35	78.19	39.79
Total expenses (II)		**1,827.26**	**1,324.02**
Profit before tax		**379.93**	**276.37**
Tax Expenses			
Current tax		99.11	73.58
Deferred tax charge/ (credit)	50	(0.42)	(3.01)
Related to earlier years		1.14	-
		99.83	**70.57**
Profit after tax		**280.10**	**205.80**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		1.53	1.13
- Income tax relating to these items		(0.38)	(0.29)
Other comprehensive income for the year, net of tax		**1.15**	**0.84**
Total comprehensive income for the year		**281.25**	**206.64**
Earnings per equity share (in Rs.):			
Nominal value of Rs. 10 each (previous year Rs. 10 each)			
-Basic diluted earning per share	36	11.20	8.23
-Diluted earning per share	36	11.20	8.23
Summary of significant accounting policies	1 & 2		

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

As per our report of even date.

For BGJC & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 003304N/N500056

Pranav Jain
Partner
Membership No. 098308
Place: Noida
Date: 22/06/2022

For and on behalf of the Board of Directors of IKIO Lighting Limited

Hardeep Singh
Managing Director
DIN: 00118729
Place: Indianapolice (USA)
Date: 22/06/2022

Surmeet Kaur
Director
DIN: 00118695
Place: Indianapolice (USA)
Date: 22/06/2022

Subhash Agrawal
CFO
Place: NOIDA
Date: 22/06/2022

Sandeep Agarwal
Company Secretary
M. No.: 066255
Place: Noida
Date: 22/06/2022

IKIO Lighting Limited

(Formerly IKIO Lighting Private Limited)

Cash Flow Statement for the year ended March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

		March 31, 2022	March 31, 2021
A. Cash flow from operating activities			
Net profit before tax		379.93	276.37
Adjustments for:			
Depreciation and amortisation		24.47	24.60
Finance cost		5.34	5.61
Income other than operating income		(0.02)	(0.46)
(Profit)/loss on sale of property, plant & equipment		(0.15)	1.98
Balances Written Off		0.00	0.21
Operating profit before working capital changes		**409.57**	**308.31**
Adjustments for (increase) / decrease in operating assets:			
Inventories		(246.38)	(146.53)
Trade receivables		(103.31)	(110.19)
Other financial assets		(0.76)	(0.32)
Other assets		(4.72)	(30.05)
Adjustment for increase / (decrease) in operating liabilities:			
Trade payables		(35.13)	36.86
Other financial liabilities		14.42	5.40
Other current liabilities		(5.61)	7.14
Provisions		6.79	4.43
Cash generated from operations		**34.87**	**75.05**
Taxes and interest thereon paid		(87.40)	(75.54)
Net cash used in operating activities	(A)	**(52.53)**	**(0.49)**
B. Cash flow from investing activities:			
(Purchase)/Sale of PPE/ Intangible/ Rou Assets		(45.59)	(30.83)
Movement in Bank Deposits		0.01	0.48
Interest income		0.02	0.46
Lease Liability		-	-
Net cash used in from investing activities	(B)	**(45.56)**	**(29.89)**
C. Cash flow from financing activities:			
Net (decrease)/increase in long term borrowings from banks		(9.80)	(5.69)
Net increase/(decrease) in short term borrowings from banks		118.50	(22.48)
Payment of lease liabilities		(0.89)	-
Finance cost		(5.15)	(5.56)
Net cash generated/(used in) from financing activities	(C)	**102.66**	**(33.73)**
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	**4.57**	**(64.11)**
Cash and cash equivalents (refer to note 12)			
-at beginning of the year		1.93	66.04
-at end of the year		**6.50**	**1.93**

Notes to cash flow statement

(i) Cash and cash equivalents comprise

	March 31, 2022	March 31, 2021
Balances with banks:		
- On current accounts	6.25	1.70
Cash on hand	0.25	0.23
	6.50	**1.93**

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IKIO Lighting Limited

(Formerly IKIO Lighting Private Limited)

Cash Flow Statement for the year ended March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

(ii) Reconcilation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

	Non-current borrowings (including current maturities)	Current borrowings	Lease liabilities
Balance as on March 31, 2022			
Balance as on April 1, 2021	31.97	17.63	-
Loan drawals (in cash)/interest accured during the year	2.41	2,823.30	4.20
Loan repayments/interest payment during the year	(13.49)	(2,703.52)	(0.89)
Other non cash changes	-	-	-
Balance as at March 31, 2022	20.89	137.41	3.31
For the year ended March 31, 2021			
Balance as on April 1, 2020	42.08	35.69	-
Loan drawals (in cash)/interest accured during the year	4.57	1,843.02	-
Loan repayments/interest payment during the year	(14.68)	(1,861.08)	-
Other non cash changes	-	-	-
Balance as at March 31, 2021	31.97	17.63	-

(iii). The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.

(iv). Notes to the Financials Statements are integral part of the Cash Flow Statement.

(v) The company have spent Rs. 5.02 millions towards CSR expense under section 135 of the Companies Act.

As per our report of even date.

For BGJC & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 003304N/N500056

Pranav Jain
Partner
Membership No. 098308

Place: Noida
Date: 22/06/2022

For and on behalf of the Board of Directors of IKIO Lighting Limited

Hardeep Singh
Managing Director
DIN: 00118729

Place: Indianapolis (USA)
Date: 22/06/2022

Surmeet Kaur
Director
DIN: 00118695

Place: Indianapolis
Date: 22/06/2022 (USA)

Subhash Agrawal
CFO

Place: NOIDA
Date: 22/06/2022

Sandeep Agarwal
Company Secretary
M. No.: 066255

Place: Noida
Date: 22/06/2022

IKIO Lighting Limited
(Formerly IKIO Lighting Private Limited)
Statement of change in equity for the year ended March 31, 2022
(All amounts are in Rupee millions, unless otherwise stated)

A. Equity Share Capital**

Balance as at April 01, 2020	0.50
Change in equity share capital during 2020-21	-
Balance as at March 31, 2021	**0.50**
Change in equity share capital during 2021-22	
Issue of Bonus Shares	249.50
Balance as at March 31, 2022	**250.00**

B. Other Equity**

Particulars	Attributable to Owners of the Company			
	Reserves & Surplus		Remeasurement of defined benefit plans	Total attributable to to owners of the company
	Equity Component	Retained Earnings		
Balance as at April 01, 2020	-	276.06	(0.04)	276.02
Profit for the year	-	205.80	-	205.80
Other comprehensive Income	-	-	0.84	0.84
Total Comprehensive Income	-	205.80	0.84	206.64
Adjustment during the year	-	-	-	-
Transfer to general reserve	-	-	-	-
Transfer from Retained earnings	-	-	-	-
Balance as at March 31, 2021	-	481.86	0.80	482.66
Profit for the year	-	280.10	1.15	281.25
Other comprehensive Income	-	-	-	-
Total Comprehensive Income	-	280.10	1.15	281.25
Issue of Bonus Share	-	(249.50)	-	(249.50)
Transfer to general reserve	-	-	-	-
Transfer from Retained earnings	-	-	-	-
Balance as at March 31, 2022	-	512.46	1.95	514.41

**The accompanying notes 16 and 17 are integral part of these financial statements.

For BGJC & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 003304N/N500056

Pranav Jain
Partner
Membership No. 098308

Place: Noida
Date: 22/06/2022

For and on behalf of the Board of Directors of
IKIO Lighting Limited

Hardeep Singh
Managing Director
DIN: 00118729

Place: Indianapolis (USA)
Date: 22/06/2022

Surmeet Kaur
Director
DIN: 00116695

Place: Indianapolis (USA)
Date: 22/06/2022

Subhash Agrawal
CFO

Place: NOIDA
Date: 22/06/2022

Sandeep Agarwal
Company Secretary
M. No.: 066255

Place: Noida
Date: 22/06/2022

Background

IKIO Lighting Limited (formerly IKIO Lighting Private Limited) ('the Company') is a company domiciled in India, with its registered office situated at Delhi. The Company was incorporated in India on March 21, 2016. Subsequent to the year end, the Company has received approval from the Ministry of Corporate Affairs on April 18, 2022, for the change of name from IKIO Lighting Private Limited to IKIO Lighting Limited. The Company is a leading manufacturer of LED Lighting in India. The Company delivers the right solutions and value for customers' LED Lighting requirements because of its innovative approach and vertically integrated infrastructure.

1. Basis of preparation

(i) Statement of compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended March 31, 2021 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act as per IGAAP ("Previous GAAP").

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 49.

The financial statement provides comparative information in respect of previous year. In addition, the company presents balance sheet as at beginning of the previous year, that is, April 1, 2020, which is the transition date of Ind AS.

These Ind AS financial statements were authorised for issue by the Company's Board of Directors on June 22, 2022.

The significant accounting policies adopted in the preparation of these financial statements are included in Note 2. These policies have been consistently applied to all the years presented, unless otherwise stated.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year April 01, 2021 to March 31, 2022.

(ii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Based on the above criteria, the Company has ascertained its accounting cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

(iii) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

(iv) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit liability	Present value of defined benefit obligations.

Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note no 38: leases: whether an arrangement contains a lease;
- Note no 46: classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:

- Note no 3: measurement of useful lives and residual values to property, plant and equipment;
- Note no 3 & 4: impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on internally- generated intangible assets;
- Note no4: measurement of useful lives of intangible assets;
- Note no 50: recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note no 37: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources;
- Note no 41: measurement of defined benefit obligations: key actuarial assumptions;
- Note no46: Fair value measurement of financial instruments and impairment of financial assets.

(v) Measurement of fair value

A number of accounting policies and disclosures require measurement of fair value for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

IKIO LIGHTING LTD

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.1 Summary of significant accounting policies

(i) Revenue

In recognising revenue, the Company applies Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard require apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five-step model.

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the company expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

The company earns revenue from sales of LED lighting.

Revenue from sale of LED lighting

Revenue from Sale of LED lighting is recognized at the point of time upon transfer of control of promised goods to the customer in an amount that reflects the consideration the Company expects to receive in exchange for those goods i.e. when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be reliably measured. Revenue is recognized at the fair value of the consideration received or receivable, which is generally the contracted price, net of any taxes/duties and discounts considering the impact of variable consideration.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Use of significant judgements in revenue recognition: -

- The performance obligation is satisfied upon delivery of the goods.

- At the time of entering into the agreement / raising an invoice, performance obligations in the contract are identified. The Company delivers goods as per terms & condition of the contract. Contracts are of differing natures and sometimes have one specific performance obligation, and on other occasions have multiple performance obligations. Contract liability has been created towards unsatisfied or partially satisfied performance obligation.

- Contract fulfilment costs are expensed as incurred.

Interest income

Interest income on time deposits and inter-corporate loans is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Other income

In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

(ii) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Subsequent expenditure

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using straight line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

Particulars	**Useful lives (in years)**
Tangible assets:	
Building	60
Furniture and fixtures	8-10
Plant & Machinery	15
Office equipment	5
Vehicle	8-10
Computer equipment	3
Computer servers and networks	6

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

(iii) Other intangible assets

Other intangible assets

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the company and where its cost can be reliably measured.

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in the statement of profit and loss.

The useful lives of intangible assets are as follows:

Intangible assets:	Useful lives (in years)
Software	5

Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the statement of profit and loss.

(iv) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or CGU's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(v) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(vi) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI), or
- Fair value through profit and loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Offsetting

Financial assets and monetary liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

iv. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

v. Impairment of financial instruments:

The Company recognises loss allowances for expected credit losses on:-

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI- debt investments

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for agreed credit period;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or another financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Expected credit loss:

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

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Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due and not recovered within agreed credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(vii) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average.

The Cost comprises all costs of purchases and other costs incurred in bringing the inventory to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

(viii) Employee Benefits

Short term employee benefits:

Short term employee benefit obligations are measured on an undiscounted basis and are expenses off as the related services are provided. Benefits such as salaries, wages, and bonus etc. are recognised in the statement of profit and loss in the year in which the employee renders the related service. The liabilities are presented as current employee benefit obligation in the balance sheet.

Long term employee benefits

Defined contribution plan: Provident fund

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India. The Company has no further obligations under the plan beyond its monthly contributions. Obligation for contribution to defined contribution plan are recognised as an employee benefit expense in statement of profit and loss in the period during which the related services are rendered by the employees.

Defined Benefit Plan: Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company provides for retirement benefits in the form of Gratuity, which provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. Benefits payable to eligible employees of the company with respect to gratuity is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost as at the balance sheet date. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the other comprehensive income. The Company's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The Company's determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Actuarial gain and losses are recognised in the Other Comprehensive Income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term benefits: Compensated absences

Benefits under the Company's compensated absences scheme constitute other employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation using the Projected Unit Credit Method. done by an independent actuary as at the balance sheet date. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss.

(ix) Income tax

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

(x) Contingent Liability, Contingent Asset and Provisions

Contingent liability

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Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(xi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

(xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period, unless they have been issued at a later date.

(xiii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Further:

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment.

2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallowable expenditure.

3. Income which relates to the Company as a whole and not allocable to segments is included in unallowable income.

4. Segment assets and liabilities include those directly identifiable with the respective segments. Unallowable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 40 for segment information.

(xiv) Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

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

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16, *Property Plant and equipment* – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its *financial statements*.

Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets* – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

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Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

3 Property, Plant and Equipment

2021-22

Description	Gross block (at cost) As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2022	Accumulated depreciation As at April 1, 2021	For the year	Disposal/ Adjustment	As at Mar 31, 2022	Net block As at Mar 31, 2022
Building	33.76	-	-	33.76	2.68	2.95	-	5.63	28.13
Computer	0.12	0.14	-	0.26	0.07	0.07	-	0.14	0.12
Plant & machinery	78.36	36.86	0.14	115.08	13.09	13.52	0.06	26.55	88.53
Land	36.68	-	-	36.68	-	-	-	-	36.68
Furniture & fixtures	0.24	-	-	0.24	0.06	0.05	-	0.11	0.13
Vehicles	22.56	0.35	-	22.91	4.05	5.89	-	9.94	12.97
Office equipment	2.79	0.76	0.07	3.48	0.63	0.96	0.00	1.59	1.89
	174.51	**38.11**	**0.21**	**212.41**	**20.58**	**23.44**	**0.06**	**43.96**	**168.45**

2020-21

Description	Gross block (at cost) As at April 1, 2020	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2021	Accumulated depreciation As at April 1, 2020	For the year	Disposal/ Adjustment	As at Mar 31, 2021	Net block As at Mar 31, 2021
Building	33.76	-	-	33.76	-	2.68	-	2.68	31.08
Computer	0.10	0.02	-	0.12	-	0.07	-	0.07	0.05
Plant & machinery	52.15	27.18	0.97	78.36	-	13.43	0.34	13.09	65.27
Land	36.68	-	-	36.68	-	-	-	-	36.68
Furniture & fixtures	0.24	-	-	0.24	-	0.06	-	0.06	0.18
Vehicles	26.07	3.99	7.50	22.56	-	7.05	3.00	4.05	18.51
Office equipment	0.97	1.85	0.03	2.79	-	0.65	0.02	0.63	2.16
	149.97	**33.04**	**8.50**	**174.51**	**-**	**23.94**	**3.36**	**20.58**	**153.93**

Footnote:

(i) The Company has elected Ind AS 101 exemption and continues with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition.

(ii) There are no impairment losses recognised during the year.

(iii) There are no exchange differences adjusted in Property, plant & equipment.

(iv) Refer note no 37 for capital commitments.

(v) The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2022, March 31, 2021 and April 01, 2020.

(vi) Refer note no 18 and 21 regarding hypothecation/pledge of Property, Plant and Equipment against the borrowings from banks.

4 Intangible assets

2021-22

Description	Gross block (at cost) As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2022	Accumulated depreciation As at April 1, 2021	For the year	Disposal/ Adjustment	As at Mar 31, 2022	Net block As at Mar 31, 2022
Computer software	1.16	0.30	-	1.46	0.66	0.34	-	1.00	0.46
	1.16	**0.30**	**-**	**1.46**	**0.66**	**0.34**	**-**	**1.00**	**0.46**

2020-21

Description	Gross block (at cost) As at April 1, 2020	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2021	Accumulated depreciation As at April 1, 2020	For the year	Disposal/ Adjustment	As at Mar 31, 2021	Net block As at Mar 31, 2021
Computer software	1.03	0.13	-	1.16	-	0.66	-	0.66	0.50
	1.03	**0.13**	**-**	**1.16**	**-**	**0.66**	**-**	**0.66**	**0.50**

Footnote:

(i) There are no internally generated intangible assets.

(ii) The Company has not carried out any revaluation of intangible assets for the year ended March 31, 2022, March 31, 2021 and April 01, 2020.

(iii) There are no other restriction on title of intangible assets other than as already disclosed.

(iv) There are no exchange differences adjusted in intangible assets.

(v) The company have not acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.

(vi) The Company has elected Ind AS 101 exemption and continues with the carrying value for all of its intangible assets as its deemed cost as at the date of transition.

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Notes to the Financial Statements for the year ended March 31, 2022
(All amounts are in Rupee millions, unless otherwise stated)

5 Right-of-use assets

Reconciliation of carrying value	
Gross carrying amount as on April 01, 2020	**Amount**
Opening Balance	-
Additon during the year	-
Reversal due to closure of lease agreement (Refer footnote)	-
Closing gross carrying amount March 31, 2021	-
Additon during the year	4.05
Reversal due to closure of lease agreement (Refer footnote)	-
Closing gross carrying amount March 31, 2022	**4.05**
Accumulated amortisation & impairment	
Opening balance	-
Amortisation for the year	-
Reversal due to closure of lease agreement (Refer footnote)	-
Closing accumulated amortisation & impairment as on March 31, 2021	-
Accumulated amortisation & impairment	
Amortisation for the year	0.69
Reversal due to closure of lease agreement (Refer footnote)	-
Closing accumulated amortisation & impairment as on March 31,2022	**0.69**
Net carrying amount as at April 01, 2020	-
Net carrying amount as at March 31, 2021	-
Net carrying amount as at March 31,2022	3.36

Note :

i) During the year 2021-22 and 2020-21, the company recognised right of use assets as per Ind AS 116 Leases (Refer note no 38)'

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Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

6 Other Financial Assets

	March 31, 2022	March 31, 2021	April 01, 2020
Security deposit	1.58	0.81	0.72
Balance with Revenue Authorities	0.05	0.05	0.05
	1.63	0.86	0.77

Notes

Non-current bank balance include:

Deposits of Rs. 0.50 millions (March 31, 2021 and April 01, 2020 Rs. 0.50 millions and Rs. 0.50 millions respectively) has been made for issue of guarantees in favor of value added tax authorities.

7 Deferred tax assets

	March 31, 2022	March 31, 2021	April 01, 2020
Deferred tax assets (refer note no 50)	4.15	4.11	1.38
	4.15	4.11	1.38

8 Other non current tax assets

	March 31, 2022	March 31, 2021	April 01, 2020
Income tax refundable (Net of Cumulative Provision for Tax of CY Rs. 99.12 millions (March 31, 2021 and April 01, 2020: Rs. 73.58 millions and Rs. 60.50 millions respectively))	2.10	2.10	0.13
	2.10	2.10	0.13

9 Other non current assets

	March 31, 2022	March 31, 2021	April 01, 2020
Balance with government authorities	0.39	0.39	0.39
Capital Advances	8.27	0.80	-
Prepaid rent	-	0.03	-
Prepaid expenses	-	0.12	-
	8.66	1.34	0.39

10 Inventories

Valued at lower of cost and net realisable value, unless otherwise stated	March 31, 2022	March 31, 2021	April 01, 2020
Raw materials	462.15	276.20	131.36
Work-in-progress	79.81	25.31	22.88
Finished goods	19.01	5.44	15.20
Other			
(i) Stock in transit	1.38	9.02	-
	562.35	315.97	169.44

Inventories are pledged as security for borrowings taken from bank (refer note no18 and 21)

11 Trade receivables

Unsecured	March 31, 2022	March 31, 2021	April 01, 2020
Considered good	249.93	139.29	45.30
Having significant increase in credit risk	10.06	18.01	1.10
Less provision for the expected credit loss	(0.30)	(0.92)	-
	259.69	156.38	46.40

Footnote:

Ageing Schedule for Trade Receivables- March 31, 2022

Particulars	Outstanding as at March 31, 2022 from due date of payment						
	Not Due	0-6 Months	6-12 months	1-2 Years	2-3 Years	More than 3 years	Total
Unsecured:							
(i) Undisputed Trade receivables — considered good	249.93	-	-	-	-	-	249.93
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	9.24	0.31	0.28	0.23	-	10.06
Less provision for the expected credit loss	-	(0.07)	(0.05)	(0.07)	(0.11)	-	(0.30)
Total	249.93	9.17	0.26	0.21	0.12	-	259.69

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(All amounts are in Rupee millions, unless otherwise stated)

Ageing Schedule for Trade Receivables- March 31, 2021

Particulars	Outstanding as at March 31, 2021 from due date of payment						
	Not Due	0-6 Months	6-12 months	1-2 Years	2-3 Years	More than 3 years	Total
Unsecured:							
(i) Undisputed Trade receivables — considered good	139.29	-	-	-	-	-	139.29
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	17.29	0.65	0.07	-	-	18.01
Less: provision for the expected credit loss	-	(0.80)	(0.10)	(0.02)	-	-	(0.92)
Total	**139.29**	**16.49**	**0.55**	**0.05**	-	-	**156.38**

Ageing Schedule for Trade Receivables- April 01, 2020

Particulars	Outstanding as at april 01, 2020 from due date of payment						
	Not Due	0-6 Months	6-12 months	1-2 Years	2-3 Years	More than 3 years	Total
Unsecured:							
(i) Undisputed Trade receivables — considered good	45.30	-	-	-	-	-	45.30
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	1.10	-	-	-	-	1.10
Less: provision for the expected credit loss	-	-	-	-	-	-	-
Total	**45.30**	**1.10**	-	-	-	-	**46.40**

The Company has measured expected credit loss of trade receivable based on simplified approach as per Ind AS 109 - Financial Instrument

1. For explanation on the Company credit risk management process, refer note 46.

2. Trade receivables are non interest bearing.

3. Trade receivables are pledged as securities for borrowings taken from banks (refer note 18 and 21)

12 Cash and cash equivalents

	March 31, 2022	March 31, 2021	April 01, 2020
Balances with banks			
-On current accounts	6.25	1.70	65.82
-Cash on hand	0.25	0.23	0.22
	6.50	**1.93**	**66.04**

For explanation on the Company credit risk management process, (refer note 46)

13 Bank balances other than cash and cash equivalents

	March 31, 2022	March 31, 2021	April 01, 2020
Fixed deposit maturity period more than 3 months but less than 12 months	-	0.01	0.49
	-	**0.01**	**0.49**

For explanation on the Company credit risk management process, (refer note 46)

14 Other current financial assets

	March 31, 2022	March 31, 2021	April 01, 2020
Security deposit	1.09	1.09	0.10
Insurance claim	-	-	0.77
	1.09	**1.09**	**0.87**

For explanation on the Company risk management process (refer note 46)

15 Other current assets

	March 31, 2022	March 31, 2021	April 01, 2020
Prepaid expense	1.59	2.08	0.81
Advances to supplier	42.27	51.96	21.36
Advance salary & wages	0.31	0.16	0.11
Other assets	-	-	10.06
Prepaid lease	-	0.01	-
Balance with government authorities	63.46	48.58	40.55
	107.63	**102.79**	**72.89**

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Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

16 Equity share capital

a) The Company has only one class of share capital having a par value of Rs. 10 per share, referred to herein as equity shares.

	March 31, 2022		March 31, 2021		April 01, 2020	
Authorised Shares	Number	Amount	Number	Amount	Number	Amount
Equity shares of 10 each	25000000	250.00	50000	0.50	50000	0.50
	25000000	**250.00**	**50000**	**0.50**	**50000**	**0.50**
Issued, subscribed and fully paid-up shares						
Equity shares of 10 each	25000000	250.00	50000	0.50	50000	0.50
	25000000	**250.00**	**50000**	**0.50**	**50000**	**0.50**

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity Shares	March 31, 2022		March 31, 2021		April 01, 2020	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	50000	0.50	50000	0.50	50000	0.50
Add : Issue of Bonus Shares	24950000	249.50	0	-	0	-
Shares outstanding at the end of the year	**25000000**	**250.00**	**50000**	**0.50**	**50000**	**0.50**

c. Terms/rights attached to equity share

Voting

Each holder of equity shares is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual general meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current year and previous year.

Liquidation

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

d. The Company does not have any Holding Company.

e. Detail of shareholders holding more than 5% of equity share of the Company

Name of shareholder	March 31, 2022		March 31, 2021		April 01, 2020	
	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares
Equity shares of INR 10 each fully paid up held by :-						
Hardeep Singh	14999670	59.99%	30000	60.00%	30000	60.00%
Surmeet Kaur	10000000	40.00%	20000	40.00%	20000	40.00%

f. Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date:

	March 31, 2022	March 31, 2021	March 31, 2020
	No. of Shares	No. of Shares	No. of Shares
Equity shares allotted as fully paid bonus shares by capitalization of reserves	24950000	-	-

g. Details of shares held by promoters

Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
As at March 31, 2022						
Equity shares of INR 10 each fully paid	Hardeep Singh	30000	14969670	14999670	59.99%	49898.90%
Equity shares of INR 10 each fully paid	Surmeet Kaur	20000	9980000	10000000	40.00%	49900.00%
Total		**50,000**	**24949670**	**24999670**	**100%**	**49898.90%**
As at March 31, 2021						
Equity shares of INR 10 each fully paid	Hardeep Singh	30000	-	30000	60.00%	-
Equity shares of INR 10 each fully paid	Surmeet Kaur	20000	-	20000	40.00%	-
Total		**50000**		**50000**	**100.00%**	**0.00%**
As at April 01, 2020						
Equity shares of INR 10 each fully paid	Hardeep Singh	30,000	-	30000	60.00%	-
Equity shares of INR 10 each fully paid	Surmeet Kaur	20,000	-	20000	40.00%	-
Total		**50000**	-	**50000**	**100.00%**	**0.00%**

h. No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash or bought back during the period of 5 years immediately proceeding the balance sheet date.

IKIO Lighting Limited

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Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

17 Other equity

	March 31, 2022	March 31, 2021	April 01, 2020
Surplus in the statement of profit and loss			
Opening balance	481.86	276.06	276.06
(+) Net profit for the year	280.10	205.80	-
(-) Issue of Bonus share	(249.50)	-	-
(+) Ind AS Adjustments	-	-	-
Closing balance (A)	**512.46**	**481.86**	**276.06**
Other comprehensive income			
Opening	0.80	(0.04)	(0.04)
Add: other comprehensive income for the year	1.15	0.84	-
Closing balance (B)	**1.95**	**0.80**	**(0.04)**
Total other equity (A+B)	**514.41**	**482.66**	**276.02**

Nature and purpose of other reserves

Other comprehensive income

The Company recognises change on account of remeasurement of the net defined benefit liability as part of other comprehensive income with separate disclosure, which comprises of actuarial gains and losses.

18 Non current borrowings

	March 31, 2022	March 31, 2021	April 01, 2020
Secured			
Term loan from banks/NBFC's (refer foot note)	11.55	-	-
Vehicle loan (refer foot note)	9.34	14.47	16.51
Total non current borrowings	**20.89**	**14.47**	**16.51**
Unsecured			
Term loan from banks/NBFC's (refer foot note)	-	17.50	25.57
	-	17.50	25.57
Less: Current maturities of non-current borrowings (included in note 21)	9.81	11.09	15.51
Non-current borrowings (as per balance sheet)	**11.08**	**20.88**	**26.57**

The Company's exposure to currency risks, liquidity risks and interest rate risks are disclosed in Note 46

Footnotes:-

Secured loan

(i) Term loan

For the year ended March 31, 2022

Indusind Bank Ltd

The Company has availed WCTL (Sanctioned Limit Rs 12.60 Mn) from Indusind Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral gurantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal gurantees of Director and one of close relative of directors.

The tenure for the loan is 36 months to be fully paid by 31st December, 2024. The loan carries floating rate of interest of MIBOR(daily)+2% at monthly rest.

For the year ended March 31, 2021

Indusind Bank Ltd

The Company has availed WCTL (Sanctioned Limit Rs 21.00 Mn) and Medium Term Loan (Sanctioned Limit Rs 13.74 Mn), from Indusind Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of the current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral gurantee in form of first and exclusive equitable mortgage of Industrial land and building of the Company at Haridwar, Industrial land and building of Inko Technologies at Haridwar (A Related Party), and Industrial land and building of Raina Metal Tech Pvt Ltd at Noida. (A Related Party). Further, there is personal gurantees of Directors and one of close relative of directors. Also secured by Corporate Gurantee of Inko Technologies, Raina Metal Tech Pvt. Ltd., Royalux Exports Private Limited (formerly Royalux Exports) IKIO Solutions Private Limited and Fine Technologies (India) Pvt. Ltd (All Related Parties). Tenure of working capital term loan is 55 months to be fully paid by 31st December, 2024, and medium term loan of 14 months. The working capital term loan carries floating rate of interest of MIBOR(daily)+2%, at monthly rest and medium term loan carries an interst rate of 9% linked to 6 month CD rate.

(ii)Vehicle Loan

(a) Vehicle Loan obtained from Axis Bank Limited amounting to Rs 17.00 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from October 10, 2019. Rate of interest is 9.15% p.a and balance outstanding as at March 31, 2022 is Rs. 7.04 millions (March 31, 2021 and April 01, 2020: Rs. 11.27 millions and Rs. 15.14 millions respectively) out of which Rs. 4.64 millions is repayable in FY 2022-23.

(b) Vehicle Loan obtained from HDFC Bank Limited amounting to Rs 1.67 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at March 31, 2022 is Rs. 1.20 millions (March 31, 2021 and April 01, 2020: Rs. 1.68 millions and Rs. 2.26 millions respectively) out of which Rs. 0.51 millions is repayable in FY 2022-23.

(c) Vehicle Loan obtained from HDFC Bank Limited amounting to Rs 1.53 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at March 31, 2022 is Rs. 1.10 millions (March 31, 2021 and April 01, 2020: Rs. 1.54 millions and Rs. 2.07 millions respectively) out of which Rs. 0.47 millions is repayable in FY 2022-23.

IKIO LIGHTING LTD

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19 Non-current lease liability

	March 31, 2022	March 31, 2021	April 01, 2020
Lease liability	1.91	-	-
	1.91	-	-

20 Non-current provisions

	March 31, 2022	March 31, 2021	April 01, 2020
Provision for employees benefits refer (note no 41)			
- Gratuity	5.36	4.02	2.87
- Compensated Absences	2.47	1.31	0.75
	7.83	5.33	3.62

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IKIO LIGHTING LTD

(All amounts are in Rupee millions, unless otherwise stated)

21 Current borrowings

	March 31, 2022	March 31, 2021	April 01, 2020
Secured			
Cash Credit	137.41	17.63	35.69
Current maturities of long-term debt	9.81	11.09	15.51
	147.22	28.72	51.20

Footnotes:-
Secured loan
Cash Credit

For the year ended March 31, 2022
IndusInd Bank Ltd

The Company has availed cash credit facility (Sanctioned Limit Rs 96.50 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypotheication of all current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral gurantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal gurantees of Director and one of close relative of directors.
The loan carries a floating rate of interest of 7.00% per annum linked with 6 month CD.

HDFC Bank Ltd

The company has also availed Cash Credit facility / LC limit (Sanctioned Limit Rs 60.00 Mn) from HDFC Bank Ltd, Which is secured against pari passu charge charge on hypothecation of stock and debtors (charge shared with Indusind Bank Ltd). Also, there is a collateral gurantee in form of industrial property situated at Noida owned by IKIO Solutions Pvt Ltd (A Related Party). Further, there are personal gurantees of Directors.
The loan carries a floating rate of interest of 7% per annum (Repo rate + Spread).

For the year ended March 31, 2021
IndusInd Bank Ltd

The Company has availed cash credit facility (Sanctioned Limit Rs 69.00 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of the current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral gurantee in form of first and exclusive equitable mortgage of Industrial land and building of the Company at Haridwar, Industrial land and building of Inko Technologies at Haridwar (A Related Party), and Industrial land and building of Raina Metal Tech Pvt Ltd at Noida, (A Related Party). Further, there is personal gurantees of Directors and one of close relative of directors. Also secured by Corporate Gurantee of Inko Technologies, Raina Metal Tech Pvt. Ltd., Royalux Exports, IKIO Solutions Private Limited and Fine Technologies (India) Pvt. Ltd (All Related Parties).
The loan carries a floating rate of interest of 9.00% per annum linked with 6 month CD.

22 Current lease liability

	March 31, 2022	March 31, 2021	April 01, 2020
Lease liability	1.40	-	-
	1.40	-	-

23 Trade payables

	March 31, 2022	March 31, 2021	April 01, 2020
total outstanding dues of micro and small enterprises (refer note no 39)	34.20	16.01	0.78
total outstanding dues of creditors other than micro and small enterprises	106.07	159.39	137.77
	140.27	175.40	138.55

Note:

Particulars	Outstanding as at March 31, 2022 from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
(i) Micro enterprises and small enterprises	34.20	-	-	-	34.20
(ii) Other than micro enterprises and small enterprises	105.83	0.24	-	-	106.07
(iii) Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
Total	140.03	0.24	-	-	140.27

Particulars	Outstanding as at March 31, 2021 from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
(i) Micro enterprises and small enterprises	16.01	-	-	-	16.01
(ii) Other than micro enterprises and small enterprises	153.75	5.64	-	-	159.39
(iii) Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
Total	169.76	5.64	-	-	175.40

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IKIO LIGHTING LTD

(All amounts are in Rupee millions, unless otherwise stated)

Particulars	Outstanding as at March 31, 2020 from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
(i) Micro enterprises and small enterprises	0.78	-	-	-	0.78
(ii) Other than micro enterprises and small enterprises	137.74	0.03	-	-	137.77
(iii) Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
Total	**138.52**	**0.03**	-	-	**138.55**

i. For trade payables to related parties please refer note 42

ii. Other creditor are non interest bearing.

iii. The Company's exposure to currency and liquidity risks related to trade payables are disclosed in Note 46

24 Other current financial liability

	March 31, 2022	March 31, 2021	April 01, 2020
Interest accrued but not due	0.05	0.07	0.02
Expenses payable	12.65	0.94	0.46
Other Payables	17.81	15.08	10.16
	30.51	15.09	10.64

Note:

i. The Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 46

25 Other current liabilities

	March 31, 2022	March 31, 2021	April 01, 2020
Statutory dues payable	4.13	9.74	2.60
	4.13	9.74	2.60

26 Current provisions

	March 31, 2022	March 31, 2021	April 01, 2020
Provision for employees benefits refer (note no 41)			
- Gratuity	0.06	0.03	0.02
- Compensated Absences	4.40	1.66	0.08
	4.46	1.69	0.10

27 Current Tax Liabilities

	March 31, 2022	March 31, 2021	April 01, 2020
Provision for Income Tax (net of Advance Tax TDS and TCS)	12.85	-	-
	12.85	-	-

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(All amounts are in Rupee millions, unless otherwise stated)

28 Revenue from operations

	March 31, 2022	March 31, 2021
Sale of product	2,198.95	1,596.63
	2,198.95	**1,596.63**

29 Other income

	March 31, 2022	March 31, 2021
Net gain on foreign currency transactions and translation	7.19	3.29
Interest income	0.02	0.46
Export incentive	0.24	-
Profit on sale of property, plant & equipment (net)	0.15	-
Finance income	0.07	0.00
Provisions no longer required written back	0.62	-
Miscellaneous income	0.01	0.01
	8.24	**3.76**

30 Cost of materials consumed

	March 31, 2022	March 31, 2021
Opening stock	276.20	131.36
Add: Purchase	1,709.45	1,197.14
Less: Closing Stock	462.15	276.20
	1,523.50	**1,052.30**

31 Change in inventories

	March 31, 2022	March 31, 2021
Inventories (at closing)		
- Work-in-progress	79.81	25.31
- Finished product	19.01	5.45
	98.82	**30.76**
Inventories (at opening)		
- Work-in-progress	25.31	22.88
- Finished	5.45	15.20
	30.76	**38.08**
Net (increase)/decrease in inventories	**(68.06)**	**7.32**

32 Employee benefits expenses

	March 31, 2022	March 31, 2021
Salaries & wages, bonus & other allowances	113.11	73.86
Director's remuneration	124.00	106.68
Contribution to provident and other funds (refer note 41)	9.21	7.08
Expenses related to post-employment defined benefit plans (refer note 41)	2.90	2.28
Expenses related to compensated absences (refer note41)	3.90	2.14
Staff welfare expenses	10.70	2.36
	263.82	**194.40**

33 Finance cost

	March 31, 2022	March 31, 2021
Interest on borrowing	4.73	5.39
Other borrowing costs	0.45	0.22
Interest on lease liabilities (Refer note 38)	0.16	-
	5.34	**5.61**

34 Depreciation and amortisation expenses

	March 31, 2022	March 31, 2021
Depreciation and Amortisation (refer note 3 and 4)	23.78	24.60
Amortisation of ROU Asset (refer note 5)	0.69	0.00
	24.47	**24.60**

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IKIO LIGHTING LTD

(All amounts are in Rupee millions, unless otherwise stated)

35 Other expenses

	March 31, 2022	March 31, 2021
Generator fuel & running expenses	0.42	0.21
Repair & maintenance	7.75	4.71
Job work paid	3.27	0.45
Electricity charges	12.70	9.07
Lab testing & research & development	4.51	2.55
Rent (refer note 38)	3.47	0.80
Insurance charges	2.74	1.52
Rates & taxes	9.72	0.18
Security charges	1.10	1.06
Legal & professional charges	13.85	8.57
Tour & travel expenses	5.43	0.65
Auditor remuneration (refer footnote)	2.44	0.25
Computer expenses	2.73	0.74
Corporate social responsibility expenses (refer43)	5.02	2.65
Sundry balance written off	0.00	0.21
Loss on sale of property, plant & equipment (net)	-	1.98
Provision for Expected Credit Loss	-	0.91
Communication Expenses	0.57	0.44
Miscellaneous expenses	2.47	2.84
	78.19	**39.79**

Footnotes:

i. **Remuneration to auditor (excluding goods & service tax)**

	March 31, 2022	March 31, 2021
Statutory Audit*	0.95	0.25
Tax Audit	0.15	-
Other Services	1.30	-
Out of Pocket Expenses	0.04	-
	2.44	**0.25**

*Statutory Audit Fees for the year ended March 31, 2021 pertains to payment made to previous auditor. Statutory Audit fee for the year ended March 31, 2022 includes fees for the audit of year ended March 31, 2021 due to appointment of Auditors pursuant to resignation by previous auditors.

36 Disclosure as per Ind AS 33 on 'earnings per Share'

Basic and diluted earnings per share	March 31, 2022	March 31, 2021
Basic earnings per share (refer note a & b)	11.20	8.23
Diluted earnings per share (refer note a & b)	11.20	8.23
Nominal value per share	10.00	10.00
(a) Profit attributable to equity shareholders		
Profit for the year	280.10	205.80
Profit attributable to equity shareholders	**280.10**	**205.80**
(b) Weighted average number of shares used as the denominator	25000000	25000000
Weighted average number of equity shares for basic and diluted EPS	**25000000**	**25000000**

At present, the company does not have any dilutive potential equity share.

(All amounts are in Rupee millions, unless otherwise stated)

37 Contingent Liabilities and Other Commitments

Contingent Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Demand under Sales Tax for the year 2017-18 against pending C-Forms*	25.10	-	-
Corporate Guarantee Given	149.22	292.05	-

*In the view of management, the demand is not expected to be materialised as the company expects to submit the relevant C-Forms and accordingly no provision is required to be recorded.

Capital Commitments

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Capital Commitment(Net of Capital Advances)	2.57	-	-

1. For the year ended March 31, 2022 based on subsequent events, the proposed allotment of land against which advance of Rs 7.25 Mn had been given by the company has been cancelled. The advance paid has been fully recovered and accordingly there are no commitments in respect of the said advance.
2. Advance against purchase of Plant and Machinery (capital commitment net of advance: Rs. 2.57 millions) has been subsequently adjusted against the final payment made.

38 Leases

The Company is a lessee under operating lease of two premises. The Company has executed non-cancellable operating leases for a period of 2 and 3 years respectively.

Disclosure in respect of such operating leases is as given below:

The movement in lease liabilities during the year ended is as follows:

	March 31, 2022	March 31, 2021
Opening Balance	-	-
Addition - during the year	4.05	-
Finance cost accrued during the period	0.16	-
Payment of lease liabilities	(0.89)	-
Adjustment on account of modification	-	-
Closing Balance	3.32	-

The details of the maturities of lease liabilities at year ended are as follows:

	March 31, 2022	March 31, 2021
Not later than one year	1.40	-
Later than one year but not later than five years	1.91	-
Later than five years	-	-
	3.31	-

Right-of-use (ROU) assets

The changes in the carrying value of ROU assets for the year ended are as follows :

	March 31, 2022	March 31, 2021
Opening Balance	-	-
Addition -during the year	4.05	-
Depreciation of ROU assets	(0.69)	-
Adjustment on account of modification	-	-
Closing Balance	3.36	-

The lease agreements do not have any restrictive onerous clauses other than that those normally prevalent in similar agreements for use of assets, rent escalation, and lease renewal.

(All amounts are in Rupee millions, unless otherwise stated)

39 Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

Particulars	March 31, 2022	March 31, 2021	April 01, 2020
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:			
Principal amount due to micro and small enterprises	34.20	16.01	0.78
Interest due on above	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-	-

40 Segment reporting

A. Basis for Segmentation

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available.

The board of directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.

The Company's board reviews the results of each segment on a quarterly basis. The company's board of directors uses Profit after tax ('PAT') to assess the performance of the operating segments. Accordingly, there is only one reportable segment for the Company which is "Sale of Product" , hence, no specific disclosures have been made.

Entity wide disclosures
B. Information about reportable segments

The Company deals in one business segment namely "Manufacturing of LED Lighting" therefore, product wise revenue disclosures are not applicable to the Company.

i. Information about geographical areas

Company operates primarily under a single geographic location i.e. India and accordingly, there are no separate reportable geographical segments.

C. Revenue from Major Customers:
Revenue from one customer amounting to Rs. 2,006.03 millions (March 31 2021: Rs. 1,510.34 millions).

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41 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

A. Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, administered and managed by the government of India. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

	March 31, 2022	March 31, 2021
Contribution to provident fund (refer note no 32)	6.49	5.34

B. Defined benefit plan:

Gratuity

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. The gratuity liability is entirely unfunded.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognise each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. The following table set out the status of the defined benefit obligation

Net defined benefit liability	March 31, 2022	March 31, 2021	April 01, 2020
Gratuity (Unfunded)	5.42	4.05	2.89
Total employee benefit liabilities	**5.42**	**4.05**	**2.89**
Non-current	5.36	4.02	2.87
Current	0.06	0.03	0.02

B. Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	March 31, 2022			March 31, 2021			April 01, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	4.04	-	4.04	2.89	-	2.89	1.27		1.27
Included in profit or loss									
Current service cost	2.52	-	2.52	2.02	-	2.02	-		1.43
Interest cost (income)	0.37	-	0.37	0.26	-	0.26	1.43		0.15
	2.89	-	2.89	2.28	-	2.28	0.15		**1.58**
Included in OCI							1.58	-	
Remeasurements loss (gain)									
- Actuarial loss (gain) arising from:									
- financial assumptions	(0.35)	-	(0.35)	(0.20)	-	(0.20)	0.44	-	0.44
- demographic assumptions	-	-	-	-	-	-	-	-	-
- experience adjustment	(1.18)	-	(1.18)	(0.93)	-	(0.93)	(0.40)		(0.40)
	(1.53)	-	(1.53)	(1.13)	-	(1.13)	0.04	-	0.04
Other									
Contributions paid by the employer	-	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	-	-
Balance at the end of the year	5.40	-	5.40	4.04	-	4.04	2.89	-	2.89

Expenses recognised in the Statement of profit and loss

	March 31, 2022	March 31, 2021
Service cost	2.52	2.02
Net interest cost	0.37	0.26

C. Plan assets

The Company does not have any plan assets.

a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

	March 31, 2022	March 31, 2021	April 01, 2020
Discount rate	7.44%	7.03%	6.73%
Expected rate of future salary increase	5.00%	5.00%	5.00

The discount rate has been assumed at 31 March, 2022: 7.44% (31 March, 2021 and April 01, 2020: 7.03% and 6.73% respectively) which is determined by reference to market yield at the balance sheet date on government securities. 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.

b) Demographic assumptions

	March 31, 2022	March 31, 2021	April 01, 2020
i) Retirement age (years)	58 Years	58 Years	58 Years
ii) Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
iii) Ages-Upto 58 years	3	3	

(All amounts are in Rupee millions, unless otherwise stated)

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	March 31, 2022		March 31, 2021		April 01, 2020	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1.00% movement)	(0.73)	0.91	(0.58)	0.73	(0.44)	0.55
Salary escalation rate (1.00% movement)	0.86	(0.71)	0.70	(0.58)	0.54	(0.45)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality is not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

A) Salary Increases- More than expected increase in the future salary levels may results in increase in the liabilities.

B) Discount Rate: In case of yield on the government bonds drops in the future period then it may result in increase in liability.

C) Withdrawals – if the actual withdrawal rate is turn out to be more or less than expected then it may result in increase in the liabilities.

D) Mortality - if the actual mortality rate in the future turns out to be more or less than expected then it may result increase in the liabilities.

F. Expected maturity analysis of the defined benefit plans in future years

Particulars	March 31, 2022	March 31, 2021	April 01, 2020
Duration of defined benefit obligation			
Less than 1 year	0.06	0.03	0.02
Between 1-2 years	0.11	0.05	0.03
Between 2-5 years	0.91	0.50	0.30
Over 5 years	1.71	1.32	0.91
Total	2.79	1.90	1.26

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IKIO LIGHTING LTD

(All amounts are in Rupee millions, unless otherwise stated)

42 Related Party Disclosure

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

(a) List of related parties

Relationship	Name of related party
Enterprises in which key management personnel and their relatives are able to exercise significant influence	Raina Metal Tech Private Limited
	Fine Technologies (India) Private Limited
	Ikio Solutions Private Limited
	Royalux Lighting Private Limited
	Royalux Exports
	Inko Technologies
	Singh Enterprises
Key Managerial Personnel	Mr Hardeep singh
	Mrs Surmeet kaur
	Mr. Sanjeet singh
Relative of Key Managerial Personnel	Ms. Ishween kaur

(b) Details of related party transactions are as below:

Particulars	March 31, 2022	March 31, 2021
A) Transaction during the year		
Expenses		
Purchases		
Fine Technologies (India) Private Limited	237.20	180.95
Inko Technologies	1.97	3.87
Royalux Lighting Private Limited	25.55	15.12
Remuneration		
Mr. Hardeep Singh	85.00	66.00
Ms. Surmeet Kaur	19.50	22.20
Mr. Sanjeet Singh	19.50	18.48
Rent		
Raina MetalTech Private Limited	2.54	0.24
Expenses paid on behalf of Company by		
Royalux Lighting Private Limited	-	3.11
Raina MetalTech Private Limited	0.40	0.46
Income		
Sales		
Fine Technologies (India) Private Limited (including sale of car)	6.17	1.66
Royalux Exports	21.56	-
Royalux Lighting Private Limited	14.56	-
Hardeep Singh	0.12	-
Ishween Kaur	0.00	-
Singh Enterprises	0.00	-
Sale of Fixed Assets		
Fine Technologies (India) Private Limited	-	2.50
Royalux Exports	-	0.74
Royalux Lighting Private Limited	-	17.16
Mr. Hardeep Singh		0.48
Ms. Ishween Kaur		0.03

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(c) Balance outstanding with or from related parties as:-

Particulars	March 31, 2022	March 31, 2021	April 01, 2020
Amounts Receivable			
Royalux Exports	18.93	0.21	0.15
Singh Enterprises	-	0.07	0.07
Mr. Hardeep Singh	-	0.47	-
Ms. Ishween Kaur	-	0.03	-
Inko Technologies	-	0.72	-
Royalux Lighting Private Limited	-	1.12	-
Amounts Payable			
Fine Technologies (India) Private Limited	1.16	4.98	1.81
Inko Technologies	-	-	0.02
Raina MetalTech Private Limited	0.19	0.20	0.40
Royalux Lighting Private Limited	2.03	-	-
Corporate Gurantees Taken from			
Raina MetalTech Private Limited	-	35.13	61.26
Inko Technologies	-	35.13	61.26
Royalux Exports	-	35.13	61.26
IKIO Solutions Private Limited	-	35.13	61.26
Fine Technologies (India) Private Limited	-	35.13	61.26
Equitable Mortgage Taken from			
Raina Metal Tech Private Limited	-	35.13	61.26
IKIO Solutions Private Limited	44.63	-	-
Corporate Gurantees Given to			
Fine Technologies (India) Private Limited	-	35.26	-
IKIO Solutions Private Limited	149.22	138.90	-
Royalux Exports	-	118.69	-

4. Terms and conditions of transactions with the related parties

i. The terms and conditions of the transactions with key management personnel were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

ii. All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

43 Corporate Social Responsibility

March 31 2022

a) Gross amount required to be spent by the company during the year was Rs. 5.02 millions.

b) Amount spent during the year was Rs. 5.02 millions.

c) There are no shortfalls as at the Current Year or Previous Year.

d) The company does not have any ongoing project going on as at March 31, 2022.

March 31 2021

a) Gross amount required to be spent by the company during the year was Rs. 2.65 millions.

b) Amount spent during the year was Rs. 2.65 millions.

c) The company does not have any ongoing project going on as at March 31, 2021.

44 Earnings in foreign currency

	March 31, 2022	March 31, 2021
F.O.B. value of exports	24.50	6.56

45 Expenditure in foreign currency

	March 31, 2022	March 31, 2021
Foreign Travelling expenditure	-	-
C.I.F. value of imports		
-Raw material	828.00	645.57

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BGJC & ASSOCIATES LLP New Delhi Chartered Accountants

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46 Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy

i. As on April 01, 2020

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
other- Security deposit	-	-	0.77	0.77	-	-	-
Current							
Trade receivables	-	-	46.40	46.40	-	-	-
Cash and cash equivalents	-	-	66.04	66.04	-	-	-
Bank Balances Other than Cash & Cash Equivalents	-	-	0.49	0.49	-	-	-
Others	-	-	0.87	0.87	-	-	-
Total	-	-	114.57	114.57			
Financial liabilities							
Non-current							
Borrowings	-	-	26.57	26.57	-	-	-
lease liabilities	-	-	-	-	-	-	-
Current							
Borrowings	-	-	51.20	51.20	-	-	-
lease liabilities	-	-	-		-	-	-
Trade payables	-	-	138.55	138.55	-	-	-
Other financial liabilities	-	-	10.64	10.64	-	-	-
Total	-	-	226.96	226.96			

ii. As on March 31, 2021

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
other- Security deposit	-	-	0.86	0.86	-	-	-
Current							
Trade receivables	-	-	156.38	156.38	-	-	-
Cash and cash equivalents	-	-	1.93	1.93	-	-	-
Bank Balances Other than Cash & Cash Equivalents	-	-	0.01	0.01	-	-	-
Others	-	-	1.09	1.09	-	-	-
Total	-	-	160.27	160.27			
Financial liabilities							
Non-current							
Borrowings	-	-	20.88	20.88	-	-	-
Lease liabilities	-	-	-	-	-	-	-
Current							
Borrowings	-	-	28.72	28.72	-	-	-
Lease liabilities	-	-	-	-	-	-	-
Trade payables	-	-	175.40	175.40	-	-	-
Other financial liabilities	-	-	16.09	16.09	-	-	-
Total	-	-	241.09	241.09			

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iii. As on March 31, 2022

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Other- Security deposit	-	-	1.63	1.63	-	-	-
Current							
Trade receivables	-	-	259.69	259.69	-	-	-
Cash and cash equivalents	-	-	6.50	6.50	-	-	-
Bank Balances Other than Cash & Cash Equivalents	-	-	-	-	-	-	-
Others	-	-	1.09	1.09	-	-	-
Total	-	-	268.91	268.91			
Financial liabilities							
Non-current							
Borrowings	-	-	11.08	11.08	-	-	-
Lease liabilities	-	-	1.91	1.91	-	-	-
Current							
Borrowings	-	-	147.22	147.22	-	-	-
Lease liabilities	-	-	1.40	1.40	-	-	-
Trade payables	-	-	140.27	140.27	-	-	-
Other financial liabilities	-	-	30.51	30.51	-	-	-
Total	-	-	332.40	332.40			

Level 1: It includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of non-current financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Valuation processes
The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

b. **Financial risk management**

The Company has exposure to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk
- Interest rate risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has policies covering specific areas, such as interest rate risk, foreign currency risk, other price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

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(All amounts are in Rupee millions, unless otherwise stated)

b. Financial risk management (continued)

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Trade receivables	259.69	156.38	46.40
Cash and cash equivalents	6.50	1.93	56.04
Bank balances other than cash and cash equivalents	-	0.01	0.49
Others	1.09	1.09	0.87

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customer and investments. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic enviornment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance.

Majority of trade receivables are from an individual customer. Trade receivables as at year end 31 March 2022 primarily includes Rs. 205.95 millions (March 31 2021 and April 01, 2020: Rs. 137.48 millions and Rs. 0 millions respectively) relating to revenue generated from sale of goods Rs. 2,006.03 millions (March 31 2021 : Rs. 1,510.34 millions). Trade receivables are generally realised within the credit period.

Movement in the allowance for impairment in respect of trade receivables:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning	0.91	-
Impairment loss recognised / (reversed)	(0.62)	0.91
Amount written off	-	-
Balance at the end	0.29	0.91

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b. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of Rs 6.50 millions as at March 31, 2022 (March 31, 2021 and April 01, 2020: Rs 1.93 millions and Rs 66.04 millions respectively) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:
- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows

Exposure to liquity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at March 31, 2022	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
Non current					
Non current borrowings	11.08	-	11.08	-	11.08
Lease liabilities	1.91	-	1.91	-	1.91
Current					
Borrowings	147.22	147.22	-	-	147.22
Lease liabilities	1.40	1.40	-	-	1.40
Trade payables	140.27	140.27	-	-	140.27
Other financial liabilities	30.51	30.51	-	-	30.51
Total	**332.40**	**319.40**	**12.99**	-	**332.40**

As at March 31, 2021	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
Non current					
Non current borrowings	20.88	-	20.88	-	20.88
Lease liabilities	-	-	-	-	-
Current					
Borrowings	28.72	28.72	-	-	28.72
Lease liabilities	-	-	-	-	-
Trade payables	175.40	175.40	-	-	175.40
Other financial liabilities	16.09	16.09	-	-	16.09
Total	**241.09**	**220.21**	**20.88**	-	**241.09**

As at April 01, 2020	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
Non current					
Non current borrowings	26.57	-	26.57	-	26.57
Lease liabilities	-	-	-	-	-
Current					
Borrowings	51.20	51.20	-	-	51.20
Lease liabilities	-	-	-	-	-
Trade payables	138.55	138.55	-	-	138.55
Other financial liabilities	10.64	10.64	-	-	10.64
Total	**226.96**	**200.39**	**26.57**	-	**226.96**

IKIO LIGHTING LTD

(All amounts are in Rupee millions, unless otherwise stated)

B. Financial risk management (continued)

iii. Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: *interest rate risk*, *currency risk* and *other price risk*, the Company mainly has exposure to two type of market risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Company enters into forward currency contracts to neutralise any foreign currency fluctuation risk.

Exposure to currency risk

The summary of quantitative data about the company exposure to currency risk, as expressed in indian Rupees as at March 31, 2022 ,March 31, 2021 and April 01, 2020

Particulars	As at March 31, 2022			
		Amount		Amount
Financial assets				
Trade receivable	INR	14.50	USD	0.19
Financial liabilities				
Trade Payable	INR	20.54	USD	0.27

Particulars	As at March 31, 2021			
		Amount		Amount
Financial assets				
Trade receivable	INR	52.94	USD	0.72
Financial liabilities				
Trade Payable	INR	43.07	USD	0.59

Particulars	As at April 01, 2020			
		Amount		Amount
Financial assets				
Trade receivable	INR	0.68	USD	0.01
Financial liabilities				
Trade Payable	INR	17.78	USD	0.24

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Term Loan	11.55	17.50	25.57
Cash Credit	137.41	17.63	35.69
Total	**148.96**	**35.13**	**61.26**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
Interest on term loans from banks	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
For the year ended March 31,2022	(0.74)	0.74	(0.56)	0.56
For the year ended March 31, 2021	(0.18)	0.18	(0.13)	0.13
For the year ended March 31, 2020	(0.31)	0.31	(0.23)	0.23

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47 Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Borrowings	11.08	20.88	26.57
Less : Cash and cash equivalent	(6.50)	(1.93)	(66.04)
Adjusted net debt (A)	4.58	18.95	(39.47)
Total equity (B)	764.41	483.16	276.52
Adjusted net debt to adjusted equity ratio (A/B)	0.01	0.04	-0.14

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48 Ratio Analysis Disclosure

Ratios	Formula	Year ended March 31, 2022	Year ended March 31, 2021	% change
Current Ratio	Current Assets Current Liabilities	2.75	2.50	10.18%
Debt Equity Ratio (Refer note i)	Total Debt Total Shareholders Equity	0.21	0.10	101.72%
Debt Service Coverage Ratio (Refer note ii)	Earnings available for debt services Finance Cost+ Short term debt(including current maturities of long term debt)+ Current Lease Liability	2.66	8.93	-70.18%
Return on Equity Ratio	Net Profit after Taxes- Preference Dividend (If any) Equity Shareholder's Funds	0.37	0.43	-13.97%
Inventory Turnover Ratio	Cost of Goods Sold Average Inventory	3.31	4.37	-24.09%
Trade Receivable Turnover Ratio (Refer note iii)	Credit Sales Average Account Receivables	10.57	15.75	-32.88%
Trade Payable Turnover Ratio (Refer Note iv)	Credit Purchases Average Account Payables	10.83	7.63	42.01%
Net Capital Turnover Ratio (Refer Note v)	Sales Average Working Capital	4.66	6.39	-27.03%
Net Profit Ratio	Net Profit Sales	0.17	0.17	-0.18%
Return on Capital Employed	EBIT Capital Employed	0.42	0.53	-21.11%

(i) Due to adverse international market conditions related to availability of critical raw materials, the company has utilised additional working capital limits to store additional raw material

(ii) EBIT has increased by 27% and debt obligation has not gone up in proportion but reduced. Both the factors has contributed positively and improved the debt service coverage ratio.

(iii) Due to higher sales in the last month of current year, the proportion of not due trade receivables has increased resulting in lower debtor turnover ratio.

(iv) The company ensures timely payment to its creditors and accordingly even though the purchases have increased significantly there is not a corresponding comparable increase in trade payables resulting in a higher trade payable turnover ratio.

(v) Higher working capital due to additional inventory as explained in (i) above, has resulted into reduction of net worth turnover ratio.

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49 First-time Adoption of Ind AS

The company has prepared its first Financial Statements in accordance with Ind AS for the year ended March 31, 2022. For periods up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is April 1, 2020 (the date of transition to Ind AS).

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2022, the comparative information presented in these financial statements for the year ended March 31, 2021 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2020 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2022, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements. Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2020 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2020, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A) Exemption and exceptions availed

In the Ind AS Opening Balance Sheet as at April 1, 2020, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2020 are generally recognized and measured according to Ind AS in effect as on March 31, 2020. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has used the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after taking necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2020 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

A2.2 Classification and measurement of financial assets

Ind AS 101 requires the company to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of fianncial assets accounted on amortised cost basis on fact and circumstances existing as at the date of transition, if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Measurement of financial assets has been done retrospectively except where the same is impracticable.

A2.3 Dereognition of financial assets and liabilities

As per Ind AS 101 an entity should apply derecognition requirements in Ind AS 109 prospectively for transaction occuring on or after the date of transition to Ind AS.

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(All amounts are in Rupee millions, unless otherwise stated)

B) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

		April 1, 2020			March 31, 2021		
ASSETS	Note	Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
(1) Non-current assets							
Property, Plant and Equipment	f	150.56	(0.59)	149.97	153.95	(0.02)	153.93
Intangible assets		1.03	-	1.03	0.50	-	0.50
Right of use of assets	b	-	-	-	-	-	-
Financial assets					-	-	-
(ii) Other Financial Assets	a&b	0.77	-	0.77	0.90	(0.04)	0.86
Deferred tax assets (net)	e	-	1.38	1.38	4.84	(0.73)	4.11
Non current tax assets (net)		0.13	-	0.13	2.10	-	2.10
Other non current assets		0.39	-	0.39	1.31	0.03	1.34
Total non-current assets		**152.88**	**0.79**	**153.67**	**163.60**	**(0.76)**	**162.84**
(2) Current Assets							
Inventory		169.44	-	169.44	315.98	(0.01)	315.97
Financial assets					-	-	-
(i) Trade receivables		46.40	-	46.40	157.31	(0.93)	156.38
(ii) Cash and cash equivalents		66.04	-	66.04	1.92	0.01	1.93
(iii) Bank balances other than (ii) above		0.49	-	0.49	0.01	-	0.01
(iv) Other financial assets	a&b	0.87	-	0.87	1.09	-	1.09
Other current assets		72.73	0.16	72.89	102.78	0.01	102.79
Total current assets		**355.97**	**0.16**	**356.13**	**579.09**	**(0.92)**	**578.17**
Total Assets		**508.85**	**0.95**	**509.80**	**742.69**	**(1.68)**	**741.01**

		April 1, 2020			March 31, 2021		
EQUITY & LIABILITIES	Note	Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
Equity							
(a) Equity Share capital		0.50	-	0.50	0.50	-	0.50
(b) Other equity	a to i	282.95	(6.93)	276.02	482.05	0.62	482.66
Total equity		**283.45**	**(6.93)**	**276.52**	**482.55**	**0.62**	**483.16**
Liabilities							
(1) Non-current liabilities							
Financial liabilities							
(i) Borrowings		26.48	0.09	26.57	20.88	-	20.88
(ii) Lease liabilities	b	-	-	-	-	-	-
Provisions	c	-	3.62	3.62	8.60	(3.27)	5.33
Deferred tax liability (net)	e	0.15	(0.15)	-	-	-	-
Total non-current liabilities		**26.63**	**3.56**	**30.19**	**29.48**	**(3.27)**	**26.21**
(2) Current liabilities							
Financial liabilities							
(i) Borrowings		51.20	-	51.20	28.72	-	28.72
(ii) Lease liabilities	b	-	-	-	-	-	-
(ii) Trade payables		130.35	8.20	138.55	163.72	11.68	175.40
(iii) other financial liabilities	b	14.62	(3.98)	10.64	27.35	(11.26)	16.09
Other current liabilities		2.60	-	2.60	9.74	-	9.74
Provisions	c	-	0.10	0.10	1.13	0.56	1.69
Total current liabilities		**198.77**	**4.32**	**203.09**	**230.66**	**0.98**	**231.64**
Total equity and liabilities		**508.85**	**0.95**	**509.80**	**742.69**	**(1.67)**	**741.01**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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IKIO Lighting Limited

(Formerly IKIO Lighting Private Limited)

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

C) Reconciliation of total profit and loss for the year ended March 31, 2021

	Note	Previous GAAP*	Adjustments	Ind AS
INCOME				
Revenue from operations		1,611.72	(15.09)	1,596.63
Other income	a	3.75	0.00	3.76
Total Income		**1,615.48**	**(15.09)**	**1,600.39**
EXPENDITURE				
Cost of materials consumed		1,052.28	0.02	1,052.30
Changes in inventory		7.32	-	7.32
Employee benefits expense	c	196.07	(1.67)	194.40
Finance expenses	a&b	20.71	(15.10)	5.61
Depreciation and amortization	f &b	24.60	-	24.60
Other expenses	a&b	38.89	0.90	39.79
Total Expenses		**1,339.87**	**(15.85)**	**1,324.02**
Profit before tax		**275.61**	**0.76**	**276.37**
Prior period expenses/(Income) (Net)	f	(7.92)	7.92	(0.00)
Profit after exceptional item but before tax		**267.69**	**8.68**	**276.37**
Current tax				
Current year		73.58	-	73.58
Deferred tax	e	(4.99)	1.98	(3.01)
Earlier years		-	-	-
Total tax expense		**68.59**	**1.98**	**70.57**
Profit after tax		**199.10**	**6.70**	**205.80**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans	c&h	-	1.13	1.13
Income tax relateing to remeasurement of defined benefit plans	e	-	(0.29)	(0.29)
Total other comprehensive income for the year		**-**	**0.84**	**0.84**
Total comprehensive income for the year		**199.10**	**7.54**	**206.64**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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IKIO Lighting Limited

(Formerly IKIO Lighting Private Limited)

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

D) Reconciliation of total equity as at March 31, 2021 and April 1, 2020

	Note	March 31, 2021	April 1, 2020
Total equity (shareholder's funds) as per previous GAAP		482.55	283.45
Adjustments:			
Opening Ind AS adjustments		(6.93)	-
Prior period adjustment	f	7.92	(4.73)
Adjustment of lease liabilities/ROU	b	-	
Amortisation of SD receivable/payable	a	(0.01)	-
Finance lease	b	-	-
Expected credit loss	d	-	-
Gratuity expenses	c	2.01	(2.85)
Compensated Absences expenses	c	(0.34)	(0.83)
Other Expense Adjustment		(0.90)	-
Tax impact of above adjustments		-	-
Deferred Tax	e	(1.98)	1.52
Total adjustments		**(0.23)**	**(6.89)**
Other comprehensive income (net of tax):			
Actuarial loss on defined benefit plans (net of tax)	h	**0.84**	**(0.04)**
Total equity as per Ind AS		**483.16**	**276.52**

E) Reconciliation of total comprehensive income for the year ended March 31, 2021

	Note	April 1, 2020
Profit after tax as per previous GAAP		199.10
Adjustments:		
Prior period adjustment	f	7.92
Adjustment of lease liabilities/ROU	b	
Amortisation of SD receivable/payable	a	(0.01)
Other expenses adjustment		(0.90)
Gratuity expenses	c	2.01
Compensated Absences expenses	c	(0.34)
Deferred Tax	e	(1.98)
Total adjustments		**6.70**
Profit after tax as per Ind AS		**205.80**
Other comprehensive income (net of tax):		
Actuarial loss on defined benefit plans (net of tax)	c & h	0.84
Total comprehensive income as per Ind AS		**206.64**

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2021

	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	i	(6.02)	5.53	(0.49)
Net cash flow from investing activities	i	(29.57)	(0.32)	(29.89)
Net cash flow from financing activities	i	(29.01)	(4.72)	(33.73)
Net increase/(decrease) in cash and cash equivalents		**(64.60)**	**0.49**	**(64.11)**
Cash and cash equivalents as at April 1, 2020*	i	66.53	(0.49)	66.04
Cash and cash equivalents as at March 31, 2021		**1.93**	-	**1.93**

* Cash and Cash equivalents in GAAP includes "Fixed deposit maturity period more than 3 months but less than 12 months" but it is not included under Ind AS.

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IKIO Lighting Limited
(Formerly IKIO Lighting Private Limited)
Notes to the Financial Statements for the year ended March 31, 2022
(All amounts are in Rupee millions, unless otherwise stated)

Notes to first-time adoption:

(a) Security Deposits

Under previous GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly the Company has fair valued these security deposits using the Effective Interest Rate (EIR) method. The diffrence between the fair value and transaction value at the time of intial recognition has been recognised as prepaid rent/deferred income as the case may be. In the subsequent years, the fair value of security deposits have been increased/decreased by recognition of corresponding interest income/expenses applying the EIR and prepaid rent/deferred income has been amoritsed/recognised over the period of security deposits.

(b) Finance Lease

Under the previous GAAP, operating lease expenses are charged to the Statement of Profit & Loss. Ind AS 116 has replaced the existing leases standard and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with an term of more than 12 months, unless the underlying asset is of low value. The standard also contains eshanced disclosure requirements for lessee.

(c) Re-measurement of employee benefits :

Both under Indian GAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. However, Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in Other Comprehensive Income.

(d) Trade receivables :

Under the previous GAAP, provision for doubtful debts are recognised when loss event indicators are visible. However, as per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Expected credit losses are defined as the difference between the contractual cash folws due to the Company and cash flow that the Company expect to receive. As a result, the allowances for doubtful debts are recognised in the books of account with a corresponding decrease in retained earnings/trade receivables.

(e) Deferred taxes

The above changes increased/ (decreased) the deferred tax asset as follows based on a tax rate of 25.17% and 25.17% in financial year 2019-20 & 2020-21 respectively.

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

The above changes (decreased) the deferred tax asset as follows:

Particulars	Note	April 01, 2020	March 31, 2021	March 31, 2022
Impact of change in temporary differences between carring amount and tax base of assets	a, b, & d	0.44	2.34	1.89
Impact of change in temporary differences between carring amount and tax base of liability		0.94	1.77	2.26
		1.38	4.11	4.15

(f) Prior period error

The Company has identifed certain expense which are related to financial year 2019-20 now the same has been charged to opening reverse as at April 01,2020.

(g) Other equity:

Retained earnings as at April 01, 2020 has been adjusted consequent to the above Ind AS transition adjustments.

(h) Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans (net of tax). Hence, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(i) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

50 Deferred Tax Asset (Net)

A. Amounts recognised in Profit or Loss

	March 31, 2022	March 31, 2021
Current tax expense		
Current year	99.11	73.58
Adjustment for prior years	1.14	-
	100.25	73.58
Deferred tax expense		
Change in recognised temporary differences	(0.42)	(3.01)
	(0.42)	(3.01)
Total Tax Expense	99.83	70.57

IKIO Lighting Limited

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Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

B. Amounts recognised in Other Comprehensive Income

	March 31, 2022			March 31, 2021		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	1.53	(0.38)	1.15	1.13	(0.29)	0.84
	1.53	(0.38)	1.15	1.13	(0.29)	0.84

C. Reconciliation of effective tax rate

	March 31, 2022		March 31, 2021	
	Rate	Amount	Rate	Amount
Profit before tax	25.17%	379.93	25.17%	276.37
Tax using the Company's domestic tax rate (A)		95.62		69.56
Tax effect of:				
Non-deductible expenses		(4.75)		(4.10)
Non-taxable income		(0.08)		0.50
Others		(0.94)		(0.42)
Deferred Tax		0.42		3.01
Prior year errors/adjustment		1.14		-
Total (B)		(4.21)		(1.01)
(A)-(B)		99.83		70.57

D. Movement in deferred tax balances

	March 31, 2021	Recognized in P&L	Recognized in OCI	March 31, 2022
Deferred Tax Assets				
Property, plant and equipment and intangibles	2.34	0.39	-	2.73
Employee benefits	1.77	(0.20)	1.53	3.10
Lease liabilities	-	(0.83)	-	(0.83)
Other financial liabilities	0.00	(0.00)	-	-
Sub- Total (a)	4.11	(0.64)	1.53	5.00
Deferred Tax Liabilities				
ROU assets	-	(0.85)	-	(0.85)
Other financial assets	(0.00)	0.00	-	-
Sub- Total (b)	(0.00)	(0.85)	-	(0.85)
Net Deferred Tax Asset (a)+(b)	4.11	(1.49)	1.53	4.15

	April 01,2020	Recognized in P&L	Recognized in OCI	March 31, 2021
Deferred Tax Assets				
Property, plant and equipment and intangibles	0.44	1.90	-	2.34
Employee benefits	0.94	1.21	(0.38)	1.77
Lease liabilities	-	-	-	-
Other financial liabilities	-	0.00	-	0.00
Sub- Total (a)	1.38	3.11	(0.38)	4.11
Deferred Tax Liabilities				
ROU assets	-	-	-	-
Other financial assets	-	(0.00)	-	(0.00)
Sub- Total (b)	-	(0.00)	-	(0.00)
Net Deferred Tax Asset (a)+(b)	1.38	3.11	(0.38)	4.11

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IKIO LIGHTING LTD.

IKIO Lighting Limited

(Formerly IKIO Lighting Private Limited)

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rupee millions, unless otherwise stated)

51 Details with respect to the Benami Properties:

No proceedings have been initiated or pending against the entity under the Benami Transactions (prohibition) Act, 1988 for the the year ended March 31, 2022.

52 Undisclosed income

There is no such income which has not been disclosed in the books of accounts. No such income is is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

53 Changes consequent to amendment to Schedule III of Companies Act, 2013

Ministry of Corporate Affairs ("MCA") issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 (the "Amended Schedule III") to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 01, 2021. Hence Company has incorporated all the applicable amendments in its Financial Statements for the year ended March 31, 2022.

54 Details of Crypto Currency or Virtual Currency

Profit or loss on transactions involving Crypto currency or Virtual Currency	No transaction during the period
Amount of currency held as at the reporting date	No transaction during the period
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No transaction during the period

55 Wilful Defaulter:

No bank or financial institution has declared the company as "Willful defaulter".

56 Details in respect of Utilization of Borrowed funds and share premium shall be provided in respect of:

Particulars	Description
Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities.	No such transaction has taken place during the period.
Transactions where an entity has received any fund from any person (s) or entity/ entities, including foreign entity.	No such transaction has taken place during the period

57 Relationship with Struck off Companies:

No transaction has been made with the company struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31 2022

58 Registration of charges or satisfaction with Registrar of Companies:

All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending for the period ended March 31, 2022

59 Compliance with number of layers of companies:

Where the company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

No layers of companies has been established beyond the limit prescribed as per above said section / rules.

60 Loan or advances granted to the promoters, directors and KMPs and the related parties:

No loan or advances in the nature of loans are granted to the promoters, directors, key managerial persons and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are:

(a) repayable on demand or

(b) without specifying any terms or period of repayment

61 Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.

As per our report of even date.

For BGJC & Associates LLP

Chartered Accountants

ICAI Firm Registration No : 003304N/N500056

Pranav Jain

Pranav Jain

Partner

Membership No. 098308

Place: Noida

Date: 22/06/2022

BGJC & Associates LLP New Delhi Chartered Accountants

For and on behalf of the Board of Directors of IKIO Lighting Limited

Hardeep Singh

Managing Director

DIN: 00118729

Place: Indiana polis (USA)

Date: 22/06/2022

Surmeet Kaur

Surmeet Kaur

Director

DIN: 00118695

Place: Indiana polis (USA)

Date: 22/06/2022

Subhash Agrawal

CFO

Place: NOIDA

Date: 22/06/2022

Sandeep Agarwal

Company Secretary

M. No.: 066255

Place: Noida

Date: 22/06/2022

IKIO LIGHTING LTD