S R B C & CO LLP
Chartered Accountants

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29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
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INDEPENDENT AUDITOR'S REPORT

To the Members of Starlite Lighting Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Starlite Lighting Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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(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, as amended 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 26 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal
Partner
Membership Number: 097546
UDIN: 21097546AAAACW6563

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Place of Signature: Mumbai
Date: May 14, 2021

Annexure 1 referred to in paragraph 1 under the heading "Report Of other legal and regulatory requirements" of our report of even date

Re: Starlite Lighting Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are pledged with the State Bank of India and are not available with the Company. The same have not been independently confirmed by the bank and hence we are unable to comment on the same.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the intimation and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of goods, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

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(vii) (a) Undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, duty of customs, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there had been slight delay in few cases. The provisions relating to service tax, sales tax, duty of excise and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to service tax, sales tax, duty of excise and value added tax are not applicable to the Company.

(c) According to the records of the Company, the dues outstanding of income-tax and duty of excise on account of any dispute, are as follows. There are no dues on account of any dispute pertaining to sales-tax, service tax, duty of custom, value added tax and cess.

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which amount relates (Financial Year)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2,937,760	2005-2006	Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	855,188	2008-2009	Commissioner of Income Tax
The Central Excise Act, 1944	Excise Duty	629,004 *	2006-2007	Assistant Commissioner, CESTAT

* including penalty

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders.

(ix) In our opinion and according to information and explanations given by the management, monies raised by the Company by way of term loans were applied for the purpose for which they were raised. The Company has not raised monies by way of initial public offer / further public offer (including debt instruments).

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

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(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal
Partner
Membership Number: 097546
UDIN: 21097546AAAACW6563

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CHARTERED ACCOUNTANTS

Place of Signature: Mumbai
Date: May 14, 2021

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Starlite Lighting Limited

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

We have audited the internal financial controls over financial reporting of Starlite Lighting Limited ("the Company") as of March 31, 2021 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements 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 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 with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements includes those policies and procedures that (l) 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 With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2021, 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 issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal
Partner
Membership Number: 097546
UDIN: 21097546AAAACW6563

Place of Signature: Mumbai
Date: May 14, 2021

Starlite Lighting Limited
Balance sheet as at March 31, 2021

Particulars	Notes	March 31, 2021 Rupees	March 31, 2020 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	3	96,62,79,986	1,07,71,20,520
Capital work in progress	3	1,94,93,340	1,27,97,669
Intangible assets	4	-	-
Right-of-use assets	27	3,42,46,840	6,81,27,685
Financial assets			
Other financial assets	5(c)	10,43,80,869	9,79,75,916
Deferred tax assets (net)	6	-	-
Advance income tax (net)	7	16,51,322	7,76,669
Other non-current assets	8	58,47,657	1,11,61,464
Total non-current assets		**1,13,19,00,014**	**1,26,79,59,923**
Current assets			
Inventories	9	35,74,52,237	34,05,69,215
Financial assets			
Trade receivables	5(a)	25,28,16,469	25,96,46,409
Cash and cash equivalents	5(b)	76,21,465	57,119
Other financial assets	5(c)	5,94,70,694	2,41,13,722
Other current assets	10	10,44,81,993	8,11,62,562
Total current assets		**78,18,42,857**	**70,55,49,027**
TOTAL ASSETS		**1,91,37,42,871**	**1,97,35,08,950**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	12,50,00,000	12,50,00,000
Other equity	12	(3,64,35,33,027)	(3,14,86,47,953)
Total equity		**(3,51,85,33,027)**	**(3,02,36,47,953)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	13(a)	1,25,25,47,767	1,50,73,90,828
Lease liability	27	2,24,31,758	7,21,92,993
Long term provisions	14	2,15,26,116	1,69,95,681
Total non-current liabilities		**1,29,65,05,641**	**1,59,65,79,502**
Current liabilities			
Financial liabilities			
Borrowings	13(b)	1,85,61,11,674	1,74,64,49,979
Lease liability	27	8,05,94,960	7,01,77,291
Trade payables			
Dues of micro enterprises and small enterprises	13(d)	9,96,70,814	8,16,84,973
Dues of creditors other than micro enterprise and small enterprises	13(d)	19,27,35,729	20,17,99,226
Other financial liabilities	13(c)	1,87,30,46,875	1,26,54,86,598
Short term provisions	14	2,96,12,775	3,08,39,673
Other current liabilities	15	39,97,430	41,39,661
Total current liabilities		**4,13,57,70,257**	**3,40,05,77,401**
Total liabilities		**5,43,22,75,898**	**4,99,71,56,903**
TOTAL EQUITY AND LABILITIES		**1,91,37,42,871**	**1,97,35,08,950**

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

Vishal Bansal
Partner
Membership No. 097546

Place of signature : Mumbai
Date: May 14, 2021

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For and on behalf of Board of Directors
of Starlite Lighting Limited

Shekhar Bajaj
Chairman
DIN: 00089358

Place of signature : Mumbai
Date: May 14, 2021

Pasam V S Prasad
Managing Director
DIN: 00148936

Place of signature : Mumba
Date: May 14, 2021

STARLITE LIGHTING LIMITED GATT NO. 423-426, WADIWARHE, TAL. IGATPURI, DIST. NASHIK

Ravindra Uttekar
Company Secretary

Place of signature : Nashik
Date: May 14, 2021

Suhas Wagh
Chief Financial Officer

Place of signature : Nashik
Date: May 14, 2021

Starlite Lighting Limited

Statement of profit and loss for the year ended March 31, 2021

Particulars	Notes	March 31, 2021 Rupees	March 31, 2020 Rupees
INCOME			
Revenue from operations	16	1,81,00,19,797	1,72,89,55,622
Other income	17	81,54,442	54,82,694
Total income		**1,81,81,74,239**	**1,73,44,38,316**
EXPENSES			
Cost of raw material consumed	18(a)	1,32,00,24,513	1,33,04,39,572
(Increase)/ decrease in inventories of finished goods and work-in-progress	18(b)	1,01,01,131	2,51,87,957
Employee benefits expense	19	10,52,57,077	9,91,63,987
Depreciation and amortization expense	20	10,06,77,853	10,89,22,604
Other expenses	21	21,39,54,944	19,83,43,727
Finance cost	22	49,90,97,299	46,05,95,114
Total expense		**2,24,91,12,817**	**2,22,26,52,961**
Loss before exceptional items and tax		**(43,09,38,578)**	**(48,82,14,645)**
Exceptional items	23	6,25,31,464	46,90,000
Loss before tax		**(49,34,70,042)**	**(49,29,04,645)**
Income tax expense		-	-
Loss for the year		**(49,34,70,042)**	**(49,29,04,645)**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurements gains/ (losses) on defined benefit plans		(14,15,032)	(34,24,496)
Income tax effect		-	-
Other comprehensive income/(loss)		**(14,15,032)**	**(34,24,496)**
Total comprehensive income/(loss) for the year, net of tax		**(49,48,85,074)**	**(49,63,29,141)**
Earnings per share - face value Rs. 10.00 per share	25		
Before exceptional items - Basic and diluted		(34.48)	(39.06)
After exceptional items - Basic and diluted		(39.48)	(39.43)

Summary of significant accounting policies **2.1**

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

Vishal Bansal
Partner
Membership No. 097546

Place of signature : Mumbai
Date: May 14, 2021

For and on behalf of Board of Directors
of Starlite Lighting Limited

Shekhar Bajaj
Chairman
DIN: 00089358

Place of signature : Mumbai
Date: May 14, 2021

Pasam V S Prasad
Managing Director
DIN: 00148936

Place of signature : Mumbai
Date: May 14, 2021

Ravindra Uttekar
Company Secretary

Place of signature : Nashik
Date: May 14, 2021

Suhas Wagh
Chief Financial Officer

Place of signature : Nashik
Date: May 14, 2021

Starlite Lighting Limited
Statement of Cash Flow for the period ended March 31, 2021

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Operating activities		
Loss before tax	(49,34,70,042)	(49,29,04,645)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment of property, plant and equipment	15,47,78,885	10,89,22,604
Impairment of inventories	3,86,25,116	1,42,94,194
Loss/(gain) on sale of property plant and equipment	(68,273)	9,76,960
Finance costs (including fair value change in financial instruments)	49,90,97,299	46,05,95,114
Finance income (including fair value change in financial instruments)	(40,82,751)	(26,42,889)
Working capital adjustments:		
(Increase)/decrease in trade receivables	68,29,940	4,87,66,414
(Increase)/decrease in inventories	(5,55,08,137)	2,72,83,095
(Increase)/decrease in other financial assets: non-current	(59,53,486)	(2,59,99,409)
(Increase)/decrease in other financial assets: current	(2,71,81,125)	4,46,65,984
(Increase)/decrease in other current assets	(2,33,19,431)	64,41,285
Increase/(decrease) in long term provisions	31,15,403	17,22,038
Increase/(decrease) in short term provisions	(12,26,898)	(83,06,821)
Increase/(decrease) in trade payables	16,07,04,299	11,59,57,086
Increase/(decrease) in other current liabilities	(1,42,230)	3,85,835
Increase/(decrease) in other financial liabilities: current	61,21,995	55,92,273
	25,83,20,564	30,57,49,118
Income tax paid (net of refunds)	(8,74,653)	(5,41,104)
Net cash flows from operating activities	25,74,45,911	30,52,08,014
Investing activities		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(1,50,91,496)	(5,00,42,866)
Proceeds from sale of property, plant and equipment	20,77,000	17,07,040
Investment in fixed deposit with original maturity of more than twelve months	(4,51,467)	(5,37,661)
Interest received	(40,93,096)	(25,27,169)
Net cash flows used in investing activities	(1,75,59,059)	(5,14,00,655)
Financing activities		
Finance cost	(41,31,46,617)	(37,41,64,277)
Payment for lease liabilities	(5,15,30,099)	(9,03,79,368)
Proceeds from borrowings	28,51,14,601	25,88,65,491
Repayment of borrowings	(5,27,60,392)	(5,59,92,523)
Net cash flows from financing activities	(23,23,22,507)	(26,16,70,677)
Net increase in cash and cash equivalents	75,64,346	(78,63,319)
Cash and cash equivalents at the beginning of the year	57,119	79,20,438
Cash and cash equivalents at the end of the year	76,21,465	57,119

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Starlite Lighting Limited
Statement of Cash Flow for the period ended March 31, 2021

Components of cash and cash equivalents [(refer note 5(b)]

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Balances with banks - in current accounts	76,18,887	56,090
Cash on hand	2,578	1,029
Cash and cash equivalents at the end of the year	76,21,465	57,119

Changes in liabilities arising from financial activities

Particulars	April 1, 2020	Cash flows *	Discount unwinding	Interest on lease liability	March 31, 2021
Short term borrowings	1,74,64,49,979	10,96,61,695	-	-	1,85,61,11,674
Long term borrowings (including current maturities of long term debt)	2,73,47,33,449	27,44,74,471	7,60,12,516	-	3,08,52,20,436
Lease liability	14,23,70,284	(5,15,30,098)	-	1,21,86,533	10,30,26,718
Total	4,62,35,53,712	33,26,06,068	7,60,12,516	1,21,86,533	5,04,43,58,828

Particulars	April 1, 2019	Cash flows *	Discount unwinding	Interest on lease liability	March 31, 2020
Short term borrowings	1,53,64,00,113	21,00,49,866	-	-	1,74,64,49,979
Long term borrowings (including current maturities of long term debt)	2,50,81,60,433	15,69,21,409	6,96,51,607	-	2,73,47,33,449
Lease liability	21,30,92,441	(9,03,79,155)	-	1,96,56,997	14,23,70,284
Total	4,25,76,52,987	27,65,92,120	6,96,51,607	1,96,56,997	4,62,35,53,712

* Cash flow movement of the borrowings include non cash transaction of Rs. 151,781,956 (March 31, 2020 : Rs. 164,098,520) by way of settlement of trade payable through current borrowings.

Note:
The cash flow statement is prepared using 'Indirect method' set out in Ind AS 7 - Statement of Cash Flows.

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

Vishal Bansal
Partner
Membership No. 097546

Place of signature : Mumbai
Date: May 14, 2021

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors
of Starlite Lighting Limited

Shekhar Bajaj
Chairman
DIN: 00089358

Place of signature : Mumbai
Date: May 14, 2021

Pasam V S Prasad
Managing Director
DIN: 00148936

Place of signature : Mumbai
Date: May 14, 2021

Ravindra Uttekar
Company Secretary

Place of signature : Nashik
Date: May 14, 2021

Suhas Wagh
Chief Financial Officer

Place of signature : Nashik
Date: May 14, 2021

STARLITE LIGHTING LIMITED GATT NO. 423-426, WADIWARHE, TAL. IGATPURI DIST. NASHIK-422403

Starlite Lighting Limited
Notes to the financial statements for the year ended March 31, 2021

1 Corporate information

Starlite Lighting Limited ('the Company') is a public Company domiciled in India. The Company has been incorporated under the provisions of Companies Act applicable in India. The Company's registered office is located at Gat No. 423-426, Mumbai- Agra Highway, Wadivarhe,Igatpuri, Nashik-422 403. The Company is engaged in the business of manufacturing of Water heater, Mixers, Blenders and LED lamps. During the year, the Company has discontinued the business of manufacturing Air conditioners.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The financial statements have been prepared on an accrual basis and under the historical cost measurement, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

These financial statements were authorized for issue by a resolution of the directors on May 14, 2021.

2.1 Summary of Significant accounting policies

The accounting policies followed in the preparation of Ind AS Financial Statements are consistent with the previous year.

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when :

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b. Foreign currencies

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on restatement / settlement of monetary items are recognised in the Statement of Profit and Loss immediately.

c. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly 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 by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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) market 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

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.

In determining the fair value of its financials instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flows analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual value realised.

d. Revenue from contract with customer

I. Sale of goods

The Company's principal source of revenue from contracts with customers comprise sale of consumer products in the domestic and overseas markets. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has concluded that it is generally the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred, generally on delivery of goods to the customer primarily on ex-works basis.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

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Significant financing component

In few cases, the Company may receive short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

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). Refer to accounting policies of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not have material contract assets or contract liabilities.

II. Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

III. Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss are recognised as a part of these items (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. However, no deferred tax asset is recognised for temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and service tax

Expenses and assets are recognised net of the amount of Goods and Service Tax (GST), except:

• When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

• When receivables and payables are stated with the amount of tax included

The net amount of goods and service tax recoverable from, or payable to, the taxation authority is included as part of other assets or other liabilities in the Balance Sheet.

f. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment is provided on straight-line method as per useful life prescribed in Schedule II of the Companies Act, 2013.

Assets	**Useful life**
Buildings	
- Factory buildings	30 years
- Other buildings	60 years
Plant and machinery	15 years
Electrical installations	10 years
Furniture and Fixture	10 years
Office equipments	5 years
Vehicles	8 years
Computers	3 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the previous GAAP financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

The useful lives of intangible assets are as mentioned below:

Nature of intangible asset	Method of amortisation
Computer Software	Straight line basis over its useful life not exceeding 3 years

g. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When the company is the lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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a. Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	95 years
Plant and machinery	5 years

The right-of-use assets are also subject to impairment.

b. Lease liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

i. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:
- Raw materials, packing material and consumables: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Method.

- Work-in-progress and finished goods: Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on Weighted Average Method.

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

j. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, including impairment on property, plant and equipment and inventories, are recognised as an expense in the Statement of Profit and Loss.

For property, plant and equipment and intangible assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

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k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date.

l. Retirement and other employee benefits

All employee benefits payable wholly within twelve months are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution. Employee benefits in the form of contribution to Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same is charged to the statement of profit and loss for the year when the employees render related services and the contributions to the respective funds are due.

The Company operates a defined benefit gratuity plan in India.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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 immediately in the balance sheet with a corresponding debit or credit to the retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine
- Net interest expense or income

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation at the balance sheet date. The resultant actuarial gains and losses are recognised in the Statement of Profit and Loss.

m. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost
- Financial assets including derivatives at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)

Financial asset at amortised cost
A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans and other financial assets.

Financial Assets at FVTOCI
A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Financial asset at FVTPL
FVTPL is a residual category for financial asset. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the statement of profit and loss.

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Impairment of financial assets
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve month ECL.
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.
ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. net of all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the year is recorded in the statement of profit and loss. The amount is reflected under the head 'Other expenses / income' in the statement of profit and loss.

The Company does not have any purchased or originated credit-impaired financial assets, i.e. financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

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

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Financial liabilities at fair value through profit or loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. The Company does not have any financial liabilities which are held for trading. Nor it has designated any financial liability as FVTPL.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings, trade payables and other financial liabilities.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

o. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p. Earnings per share

The Company's Earnings per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company. The Company discloses EPS before and after exceptional items.

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

Diluted earnings per share is computed using the weighted average number of common and dilutive shares outstanding during the year including share based payments, except where the result would be anti-dilutive.

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q. Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows a better understanding of the underlying performance of the business in the year and facilitates more appropriate comparison with prior periods. Exceptional items are adjusted in arriving at profit before tax.

r. Preference shares

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are taken to the Statement of Profit and Loss as finance expense.

s. Contingent liabilities

A contingent liability is a possible obligation 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 or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

2.2 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Impairment allowance for trade receivables

The Company makes allowances for doubtful accounts receivable using a simplified approach which is a dual policy of an ageing based provision and historical / anticipated customer experience. Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109. Refer note 5(a) for disclosure relating to impairment allowance on trade receivables.

b. Employee benefits

The cost of the defined benefit gratuity plan is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 14.

c. Taxes

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. In the absence of probable future taxable profit, the Company has restricted recognition of deferred tax asset to the extent of deferred tax liability (refer note 6).

d. Going concern

These financial statements have been prepared on the basis that the Company will continue as a going concern in a foreseeable future (refer note 33).

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STARLITE LIGHTING LIMITED ★ TAL. IGATPURI ★ DIST. NASHIK-422403

Starlite Lighting Limited
Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital (refer note 11)

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
At the beginning of the year	12,50,00,000	12,50,00,000
At the end of the year	**12,50,00,000**	**12,50,00,000**

b. Other equity (refer note 12)

Particulars	Reserves and surplus			Total
	Capital	Securities	Retained earnings	
Balance as at April 1, 2019	**6,46,11,857**	**3,50,00,000**	**(2,75,19,30,669)**	**(2,65,23,18,812)**
Loss for the period	-	-	(49,29,04,645)	(49,29,04,645)
Other comprehensive income (net)	-	-	(34,24,496)	(34,24,496)
Total comprehensive income	-	-	**(49,63,29,141)**	**(49,63,29,141)**
Balance as at March 31, 2020	**6,46,11,857**	**3,50,00,000**	**(3,24,82,59,810)**	**(3,14,86,47,953)**
Loss for the period	-	-	(49,34,70,042)	**(49,34,70,042)**
Other comprehensive income (net)	-	-	(14,15,032)	**(14,15,032)**
Total comprehensive income	-	-	**(49,48,85,074)**	**(49,48,85,074)**
Balance as at March 31, 2021	**6,46,11,857**	**3,50,00,000**	**(3,74,31,44,884)**	**(3,64,35,33,027)**

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

Vishal Bansal
Partner
Membership No. 097546

Place of signature : Mumbai
Date: May 14, 2021

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors
of Starlite Lighting Limited

Shekhar Bajaj
Chairman
DIN: 00089358

Place of signature : Mumbai
Date: May 14, 2021

Pasam V S Prasad
Managing Director
DIN: 00148936

Place of signature : Mumbai
Date: May 14, 2021

STARLITE LIGHTING LIMITED GATT NO. 423-426, WADIWARHE, TAL. IGATPURI DIST. NASHIK-422403

Ravindra Uttekar
Company Secretary

Place of signature : Nashik
Date: May 14, 2021

Suhas Wagh
Chief Financial Officer

Place of signature : Nashik
Date: May 14, 2021

Starlite Lighting Limited
Notes to the financial statements for the year ended March 31, 2021

Note 3: Property, plant and equipment

Particulars	Freehold land	Leasehold land	Building	Plant and machinery	Vehicle	Furniture and fixtures	Computers	Office equipments	Total
Cost									
As at April 1, 2019	**3,98,93,558**	**93,98,137**	**59,37,89,027**	**1,51,75,75,226**	**11,84,792**	**3,00,03,871**	**42,09,092**	**4,98,56,094**	**2,24,59,09,796**
Adjustment for change in accounting policy (refer note 27)	-	(93,98,137)	-	(30,25,06,608)	-	-	-	-	(31,19,04,745)
As at April 1, 2019 (restated)	**3,98,93,558**	**-**	**59,37,89,027**	**1,21,50,68,618**	**11,84,792**	**3,00,03,871**	**42,09,092**	**4,98,56,094**	**1,93,40,05,051**
Additions	-	-	-	3,25,71,880	-	63,700	3,29,984	1,83,374	3,31,48,938
Disposals	-	-	-	(3,84,65,208)	-	-	-	-	(3,84,65,208)
As at March 31, 2020	**3,98,93,558**	**-**	**59,37,89,027**	**1,20,91,75,290**	**11,84,792**	**3,00,67,571**	**45,39,076**	**5,00,39,468**	**1,92,86,88,781**
Additions	-	-	94,00,378	16,23,689	-	83,000	2,26,003	7,33,164	1,20,66,234
Disposals	-	-	-	(27,24,35,476)	-	(19,37,482)	(5,67,187)	(73,43,038)	(28,22,83,184)
As at March 31, 2021	**3,98,93,558**	**-**	**60,31,89,405**	**93,83,63,503**	**11,84,792**	**2,82,13,088**	**41,97,892**	**4,34,29,593**	**1,65,84,71,831**
Depreciation and impairment									
As at April 1, 2019	-	**28,14,283**	**7,92,33,183**	**90,79,82,728**	**11,25,552**	**59,40,056**	**35,27,945**	**2,57,14,754**	**1,02,63,38,501**
Adjustment for change in accounting policy (refer note 27)	-	(28,14,283)	-	(21,74,66,072)	-	-	-	-	(22,02,80,355)
As at April 1, 2019 (restated)	-	-	**7,92,33,183**	**69,05,16,656**	**11,25,552**	**59,40,056**	**35,27,945**	**2,57,14,754**	**80,60,58,146**
Charge for the year	-	-	1,76,17,024	5,34,97,896	-	25,55,773	1,66,446	74,54,184	8,12,91,323
Disposals	-	-		(3,57,81,208)	-	-	-	-	(3,57,81,208)
As at March 31, 2020	-	-	**9,68,50,207**	**70,82,33,344**	**11,25,552**	**84,95,829**	**36,94,390**	**3,31,68,938**	**85,15,68,261**
Charge for the year	-	-	1,82,09,282	4,20,51,707	-	25,55,621	2,66,123	37,14,275	6,67,97,008
Disposals	-	-	-	(27,09,19,135)	-	(18,40,608)	(5,38,827)	(69,75,886)	(28,02,74,457)
Impairment (refer note 23)	-	-	-	5,41,01,033	-	-	-	-	5,41,01,033
As at March 31, 2021	-	-	**11,50,59,490**	**53,34,66,949**	**11,25,552**	**92,10,842**	**34,21,686**	**2,99,07,326**	**69,21,91,845**
Net block									
As at March 31, 2020	**3,98,93,558**	-	**49,69,38,819**	**50,09,41,946**	**59,240**	**2,15,71,742**	**8,44,685**	**1,68,70,530**	**1,07,71,20,520**
As at March 31, 2021	**3,98,93,558**	-	**48,81,29,915**	**40,48,96,554**	**59,240**	**1,90,02,247**	**7,76,206**	**1,35,22,267**	**96,62,79,986**

Note 3.1: Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in note 13(a) and note 13(b).

Note 3.2: The closing capital work in progress as on March 31, 2021 mainly consists of costs incurred development costs for new product lines.

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
As at the beginning of the year	1,27,97,669	95,56,381
Additions during the year	1,60,96,049	32,41,288
Capitalisation during the year	(94,00,378)	-
As at the end of the year	**1,94,93,340**	**1,27,97,669**

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Note 4: Intangible assets

Particulars	Computer software	Total
Cost		
As at April 1, 2019	**86,03,530**	**86,03,530**
As at March 31, 2020	**86,03,530**	**86,03,530**
As at March 31, 2021	**86,03,530**	**86,03,530**
Amortisation		
As at April 1, 2019	**86,03,530**	**86,03,530**
As at March 31, 2020	**86,03,530**	**86,03,530**
As at March 31, 2021	**86,03,530**	**86,03,530**
Net block		
As at March 31, 2020	-	-
As at March 31, 2021	-	-

Note 4.1: Though the Company has fully amortised computer software asset, the same is still under use for business purpose.

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Starlite Lighting Limited
Notes to the financial statements for the year ended March 31, 2021

Note 5: Financial assets

5(a) Trade receivables (current)

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Trade receivables from unrelated parties		
- Considered good	3,81,99,414	13,68,42,237
- Receivables - credit impaired	-	1,95,59,563
Receivables from related parties (considered good)(refer note 28)	21,46,17,055	12,28,04,172
	25,28,16,469	**27,92,05,972**
Less: Allowances for doubtful debts	-	(1,95,59,563)
Total trade receivables	**25,28,16,469**	**25,96,46,409**

There are no trade receivables which are due from directors or other officers of the Company either severally or jointly with any person.

Trade receivables are non interest bearing and are generally on terms of 15 to 90 days.

Trade receivables are pledged against borrowings, the details relating to which have been described in note 13(a) and note 13(b).

5(b) Cash and cash equivalents

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Balances with banks - in current accounts	76,18,887	56,090
Cash on hand	2,578	1,029
Total cash and cash equivalents	**76,21,465**	**57,119**

5(c) Other financial assets
Unsecured (Considered good, unless otherwise stated)

Particulars	March 31, 2021Rupees		March 31, 2020Rupees	
	Non-current	Current	Non-Current	Current
Deposits with original maturity of more than twelve months (refer note a)	1,03,80,549	-	99,29,082	-
Security deposits (refer note b)	31,36,212	1,94,85,545	2,00,65,977	-
Interest receivable	-	2,41,273	-	2,30,928
Receivable towards Industrial Promotion Subsidy under PSI, 2007	9,08,64,108	3,72,74,635	6,79,80,857	2,38,82,794
Others	-	24,69,241	-	-
Total other financial assets	**10,43,80,869**	**5,94,70,694**	**9,79,75,916**	**2,41,13,722**

Note a: The aforesaid fixed deposits are against letter of credit and bank guarantee.

Note b: Security deposit mainly consists of deposit paid to Tata Capital Financial Services Limited for the property, plant and equipment taken on lease.

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Notes to the financial statements for the year ended March 31, 2021

Note 6: Deferred tax assets

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Deferred tax liability		
Fixed assets : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	2,65,80,599	4,02,68,306
Total deferred tax liability	**2,65,80,599**	**4,02,68,306**
Deferred tax asset		
Provision for doubtful debts & warranty	37,84,465	90,75,769
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes	1,03,48,200	90,54,865
Losses available for offsetting against future taxable income	1,24,47,934	2,21,37,672
Deferred tax asset to the extent of liability	**2,65,80,599**	**4,02,68,306**
Deferred tax assets (net) recognised in the balance sheet	-	-

The Company has the following carry forward of business loss and unabsorbed depreciation. However, in the absence of probability of future taxable profit it has not recognised deferred tax asset.

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Business loss	1,80,45,88,388	1,21,99,74,960
Unabsorbed depreciation	1,39,53,71,472	1,26,58,40,506
Total	**3,19,99,59,860**	**2,48,58,15,466**

The details of expiry of business loss is as under:

Year of loss	Amount	Expiry
2014-2015	3,14,26,869	2022-2023
2015-2016	2,47,82,605	2023-2024
2017-2018	11,16,97,012	2025-2026
2018-2019	30,91,87,242	2026-2027
2019-2020	48,46,85,084	2027-2028
2020-2021	51,44,77,221	2028-2029
2021-2022	32,83,32,355	2029-2030
Total	**1,80,45,88,388**	

There is no expiry date for unabsorbed depreciation.

Since the Company has not recognised net deferred tax asset, tax reconciliation as required by Ind AS is not given.

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Starlite Lighting Limited

Notes to the financial statements for the year ended March 31, 2021

Note 7: Advance income tax (net)

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Income tax asset (net)	16,51,322	7,76,669
Total advance income tax (net)	**16,51,322**	**7,76,669**

Note 8: Other non-current assets

Unsecured (Considered good, unless otherwise stated)

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Capital advances	58,47,657	1,11,61,464
Total other non-current assets	**58,47,657**	**1,11,61,464**

Note 9: Inventories

(At lower of cost and net realisable value)

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Raw materials	26,59,43,094	24,41,47,782
(including goods in transit of Rs. 25,342,276 (March 31, 2020 : Rs.		
Work-in-progress	3,95,27,370	4,64,71,265
Finished goods	2,04,74,945	2,36,32,181
Stores and spares	47,70,633	56,38,433
Packing and other material	2,67,36,195	2,06,79,554
Total inventories	**35,74,52,237**	**34,05,69,215**

During the year ended March 31, 2021, an amount of Rs. 38,625,116 (March 31, 2020: Rs. 14,294,194) was recognized as an expense towards provision for slow moving inventories.

Inventories have been pledged as security against bank borrowings, the details relating to which have been described in Note 13(a) and 13(b).

Note 10: Other current assets

Unsecured (Considered good, unless otherwise stated)

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Advances to suppliers	65,76,786	67,04,270
Advance to others	6,78,826	9,39,599
Prepaid expenses	21,01,044	43,27,814
Balances with government authorities	9,51,25,337	6,91,90,879
Total other current assets	**10,44,81,993**	**8,11,62,562**

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Starlite Lighting Limited
Notes to the financial statements for the year ended March 31, 2021

Note 11 : Equity share capital

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Authorised		
102,500,000 (March 31, 2020: 57,500,000) shares of Rs.10 each	1,02,50,00,000	57,50,00,000
Issued, subscribed and fully paid-up		
12,500,000 (March 31, 2020: 12,500,000) equity shares of Rs.10 each	12,50,00,000	12,50,00,000
	12,50,00,000	**12,50,00,000**

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	March 31, 2021 Rupees		March 31, 2020 Rupees	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning and end of the year	1,25,00,000	12,50,00,000	1,25,00,000	12,50,00,000

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended March 31, 2021, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (March 31, 2020: Rs. Nil)

Any dividend proposed by the Board of Directors of the Company is subject to approval of the shareholders at the Annual General Meeting.

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

c. Details of shareholders holding more than 5% of equity shares in the Company:

Name of shareholder	March 31, 2021 Rupees		March 31, 2020 Rupees	
	No. of shares	% holding	No. of shares	% holding
Arvind Bharati	7,02,500	5.62	7,02,500	5.62
Ravindra Bharati	25,60,000	20.48	25,60,000	20.48
M/s Bajaj Electricals Limited	58,75,000	47.00	58,75,000	47.00
M/s Jamnalal & Sons	16,25,000	13.00	16,25,000	13.00
M/s Starlite Components Limited	6,87,500	5.50	6,87,500	5.50

d. No shares were allotted as fully paid-up pursuant to contracts without payment being received in cash during the year of five years immediately preceding the date of the balance sheet

e. There are no shares reserved for issue under options.

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Starlite Lighting Limited

Notes to the financial statements for the year ended March 31, 2021

Note 12 : Other equity

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Capital reserve	6,46,11,857	6,46,11,857
Securities premium	3,50,00,000	3,50,00,000
Retained earnings	(3,74,31,44,884)	(3,24,82,59,810)
Total other equity	**(3,64,35,33,027)**	**(3,14,86,47,953)**

(i)

Capital reserve	March 31, 2021 Rupees	March 31, 2020 Rupees
Opening and closing balance*	6,46,11,857	6,46,11,857

* Capital Reserve has been created on account loans waived off by the banks in the Year 2006-2007. The distribution of the amount will be subject to the restrictions placed by the Companies Act, 2013

(ii)

Securities premium	March 31, 2021 Rupees	March 31, 2020 Rupees
Opening and closing balance*	3,50,00,000	3,50,00,000

* Securities premium account has been created on account of 400,000 shares issued to Bajaj Electricals Limited in the year 2007-2008 at a premium of Rs. 8.75 per share. The amount can be used for the purpose stated in section 52 of the Companies Act, 2013 (as amended). It is not available for distribution to shareholders.

(iii)

Retained earnings	March 31, 2021 Rupees	March 31, 2020 Rupees
Opening balance	(3,24,82,59,810)	(2,75,19,30,669)
Loss for the year	(49,34,70,042)	(49,29,04,645)
Other comprehensive income/(loss)	(14,15,032)	(34,24,496)
Closing balance	**(3,74,31,44,884)**	**(3,24,82,59,810)**

The above reserves will be utilised in accordance with the provisions of the Companies Act, 2013.

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Note 13(a) : Long term borrowings

Particulars	March 31, 2021		March 31, 2020	
	Non-current	Current	Non-current	Current
Debentures (secured)				
Debentures	32,35,36,523	87,93,45,524	69,98,44,260	1,00,66,22,581
Less: Unamortised loan processing charges	-	(24,89,863)	-	-
	32,35,36,523	87,68,55,661	69,98,44,260	1,00,66,22,581
Non-convertible preference shares (unsecured)				
10,000,000 9% Redeemable preference shares	18,26,34,862	-	16,69,14,886	-
5,000,000 9% Redeemable preference shares	8,23,46,959	-	7,52,58,999	-
30,000,000 Redeemable preference shares	61,81,12,756	-	56,49,08,176	-
Term loan from banks (secured)	4,59,16,667	1,13,52,500	-	-
Term loan from related party (unsecured) (refer note 28)	-	94,40,00,000	-	22,00,00,000
Sales tax deferral loan (unsecured)	-	4,64,507	4,64,507	7,20,040
	1,25,25,47,767	**1,83,26,72,668**	**1,50,73,90,828**	**1,22,73,42,621**
Amount disclosed under the head "Other financial liabilities" (refer note 13(c))	-	(1,83,26,72,668)	-	(1,22,73,42,621)
Total long term borrowings	**1,25,25,47,767**	-	**1,50,73,90,828**	-

(a) Debentures

Month of repayment	Principal Amount	Interest Rate p.a
September, 2021	40,00,00,000	9.83% (Upto June 26, 2020: 9.33%)
March, 2022	25,00,00,000	11.50%
April, 2022	35,00,00,000	11.50%

The debentures are secured by first pari passu charge over movable and immovable fixed assets of the Company.

(b) Preference shares

10,000,000 - 9% cumulative redeemable preference shares redeemable on June 30, 2024
5,000,000 - 9% cumulative redeemable preference shares redeemable on June 30, 2025
30,000,000 - 0% redeemable preference shares redeemable in 3 equal tranches at an yield of 10% on June 30, 2026, June 30, 2027 and June 30, 2028 respectively.

(c) Term loan from banks

The Company has availed term loan from State Bank of India under Government of India's 'Emergency Line of Credit Scheme' for the purpose of meeting the working capital requirements, operating liabilities and restart operations once lockdown is over. The said loan is secured by primary and collateral securities including mortgages created in the favour of bank. The loan carries interest of External Benchmark Linked Rate (EBLR) + 0.75% i.e. 7.40% p.a. and maximum of 9.25% p.a. during entire tenor of loan. Interest is applied at monthly intervals. The loan is repayable after a moratorium period of 12 months and is repayable in 36 monthly instalments after moratorium.

(d) Loans from related party

The unsecured loan is from Bajaj Electricals Limited and carries an interest rate of MCLR + 1.75% and 10.30% p.a. fixed (March 31, 2020 : MCLR + 1.75%).

(e) Sales tax deferral loan

The sales tax deferral loan is payable in 5 yearly instalments.

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Note 13(b) : Short term borrowings

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
From banks (secured)		
Cash credit	27,21,70,441	28,33,34,849
Working capital loan (secured)	74,89,91,136	65,79,87,748
Bill discounting (with recourse)	6,98,30,611	15,34,43,158
Loans from related party (unsecured) (refer note 28)	76,51,19,486	65,16,84,224
Total short term borrowings	**1,85,61,11,674**	**1,74,64,49,979**

(a) Secured loans from banks

The loans are secured against stock, book debts, other receivables, property, plant and equipment and collateral security given by Bajaj Electricals Limited. The rate of interest 8.95% to 10% (March 31, 2020 : 8.85% to 10%).

(b) Working capital loan

The borrowing is for working capital purpose against book debts, other receivables, property, plant and equipment and comfort letter of Bajaj Electricals Limited and with charge over stock and receivables for a period of 12 months (yearly renewal). The rate of interest on these loans range from 7.40% to 12.00% (March 31, 2020 : 8.36% to 11.80%).

(c) Bill discounting (with recourse)

The discounting facility is availed from bank and financial institution with recourse. The discounting charges are in the range of 10% to 10.85% (March 31, 2020: 8.65% to 11.75%).

(c) Unsecured loan from related party

The unsecured loan is from Bajaj Electricals Limited and is repayable on demand. The rate of interest is MCLR plus 1.75% to 11% fixed (March 31, 2020 : MCLR + 1.75%).

Note 13(c): Other financial liabilities (current)

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Current maturities of long term debt [refer note 13 (a)]	1,83,26,72,668	1,22,73,42,621
Interest accrued and due on borrowings	90,60,861	1,13,09,228
Liability for capital goods	-	16,43,400
Employee related liabilities	1,17,86,817	1,14,51,176
Outstanding liabilities		
- Labour charges	65,97,647	64,35,000
- Audit fees	18,50,000	13,00,000
- Others	1,10,78,882	60,05,173
Total other financial liabilities	**1,87,30,46,875**	**1,26,54,86,598**

Note 13(d) : Trade payables

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Total outstanding dues of micro enterprises and small enterprises (refer note 34)	9,96,70,814	8,16,84,973
Total outstanding dues of creditors other than micro enterprises and small enterprises	19,01,28,681	19,05,43,857
Trade payables to related parties (refer note 28)	26,07,048	1,12,55,369
	19,27,35,729	**20,17,99,226**
Total trade payables	**29,24,06,542**	**28,34,84,199**

Trade payables (except Bajaj Electricals Limited) are non-interest bearing and generally have a payment term of 15 to 180 days. In case of Bajaj Electricals Limited, no interest is payable in case payment is made within 45 days.

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Note 14: Provisions

Particulars	March 31, 2021 Rupees		March 31, 2020 Rupees	
	Long-term	Short-term	Long-term	Short-term
Employee benefit obligations				
Leave obligation	-	1,43,64,424	-	1,46,16,672
Gratuity (refer note 29)	2,15,26,116	6,92,716	1,69,95,681	8,75,761
Others				
Provision for warranty	-	1,45,55,635	-	1,53,47,240
Total provisions	**2,15,26,116**	**2,96,12,775**	**1,69,95,681**	**3,08,39,673**

Provision for warranty

Warranty costs are provided on a technical estimate of costs required to be incurred for repairs, replacements, material used as per past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period.

The movement in the above provision are summarised below :

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Opening balance	1,53,47,240	2,76,94,665
- Provision created	1,57,93,759	2,04,85,562
- Provision utilized	(1,65,85,363)	(3,28,32,987)
Closing balance	**1,45,55,635**	**1,53,47,240**

Note 15 : Other current liabilities

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Statutory dues		
- Employee related liabilities	18,50,649	20,60,248
- TDS payable	21,42,287	20,74,918
- Others	4,494	4,495
Total other current liabilities	**39,97,430**	**41,39,661**

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Starlite Lighting Limited

Notes to the financial statements for the year ended March 31, 2021

Note 16: Revenue from operations

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Revenue from contracts with customers	1,74,55,12,991	1,66,67,74,897
Other operating revenue	6,45,06,806	6,21,80,725
Total	**1,81,00,19,797**	**1,72,89,55,622**

Note 16.1: Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
India	1,71,67,50,771	1,62,72,40,435
Outside India	2,87,62,220	3,95,34,462
Total revenue from contracts with customers	**1,74,55,12,991**	**1,66,67,74,897**

Timing of revenue recognition

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Goods transferred at a point in time	1,74,55,12,991	1,66,67,74,897
Total revenue from contracts with customers	**1,74,55,12,991**	**1,66,67,74,897**

Note 16.2: Contract balances

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Trade receivables	25,28,16,469	25,96,46,409
Total	**25,28,16,469**	**25,96,46,409**

Trade receivables are non interest bearing and are generally on terms of 15 to 90 days.

Note 16.3: Performance obligation

The performance obligation is satisfied upon delivery of consumer products to the customer. The contract also contains warranties for fixing the defects that existed at the time to sale to the customers.

Note 17: Other income

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Interest income	40,82,751	26,42,889
Foreign exchange difference (net)	40,03,418	28,39,805
Gain on sale of property, plant and equipment	68,273	-
Total	**81,54,442**	**54,82,694**

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Note 18(a): Cost of materials consumed

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Raw materials at the beginning of the year	24,41,47,781	26,60,36,261
Add: Purchases	1,35,25,32,710	1,30,17,30,720
Add: Freight Inward	1,26,72,249	1,27,34,994
Less: Provision for impairment loss	2,33,85,133	59,14,622
Less: Raw material at the end of the year	26,59,43,094	24,41,47,781
Total cost of material consumed	**1,32,00,24,513**	**1,33,04,39,572**

Note 18(b): Changes in inventories of work-in-progress and finished goods

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Opening balance		
Work-in-progress	4,64,71,265	5,41,35,083
Finished goods	2,36,32,180	4,11,56,319
Total opening balance	**7,01,03,445**	**9,52,91,402**
Closing balance		
Work-in-progress	3,95,27,370	4,64,71,265
Finished goods	2,04,74,944	2,36,32,180
Total closing balance	**6,00,02,314**	**7,01,03,445**
Changes in inventories	**1,01,01,131**	**2,51,87,957**

Note 19: Employee benefit expense

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Salaries, wages and bonus	8,98,51,163	8,21,01,660
Contribution to provident and other funds	1,07,98,638	98,52,141
Gratuity(refer note 29)	22,70,631	14,74,021
Leave compensation	9,54,636	56,00,990
Staff welfare expenses	13,82,009	1,35,175
Total employee benefit expense	**10,52,57,077**	**9,91,63,987**

Note 20: Depreciation and amortisation expense

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Depreciation of property, plant and equipment (refer note 3)	6,67,97,008	8,12,91,323
Depreciation of right-of-use assets (refer note 27)	3,38,80,845	2,76,31,281
Amortisation of intangible assets (refer note 4)	-	-
Total depreciation and amortisation	**10,06,77,853**	**10,89,22,604**

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Notes to the financial statements for the year ended March 31, 2021

Note 21: Other expenses

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Spares and stores	1,96,38,074	1,25,69,024
Sub-contracting expenses	7,38,34,802	7,87,77,162
Power and fuel expenses	3,73,16,838	3,76,06,342
Freight and forwarding charges	54,65,869	41,61,652
Security charges	47,63,555	43,61,695
Rent	15,71,180	19,34,670
Rates and taxes	15,40,405	4,45,647
Insurance	32,69,841	15,06,444
Repairs and maintenance		
Plant and machinery	98,86,727	43,31,528
Buildings	-	10,846
Others	2,75,963	6,77,437
Advertising and sales promotion	51,471	1,78,043
Warranty expense	1,57,93,759	2,04,85,562
Travelling and conveyance	75,31,261	82,45,459
Legal and professional fees	1,27,47,625	44,93,551
Office expenses	17,93,174	21,64,844
Payment to auditor (refer details below)	19,78,266	14,84,063
Provision for inventory impairment	68,09,552	83,79,572
Loss on sale of fixed assets	-	9,76,960
Miscellaneous expenses	96,86,582	55,53,226
Total other expenses	**21,39,54,944**	**19,83,43,727**

Note 21a: Details of payments to auditors

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Payment to auditors		
As auditor:		
Audit fee	19,00,000	13,00,000
Reimbursement of expenses	78,266	1,84,063
Total payments to auditors	**19,78,266**	**14,84,063**

Note 22: Finance cost

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Interest on debts and borrowings	33,89,09,784	31,24,47,845
Other borrowing cost	9,11,20,673	8,16,39,987
Interest on lease liability (refer note 27)	1,21,86,533	1,96,56,997
Interest on others	5,68,80,309	4,68,50,285
Total finance costs	**49,90,97,299**	**46,05,95,114**

Note 23: Exceptional items

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Impairment of inventories (refer note a)	84,30,431	-
Impairment of property, plant and equipment (refer note a)	5,41,01,033	-
Settlement of litigation (refer note b)	-	46,90,000
Total exceptional items	**6,25,31,464**	**46,90,000**

Note a: Impairment of inventories and property, plant and equipment

CFL technology has been replaced by LED and other newer technologies in lighting industry. Considering significant reduction in CFL business and lower future demand the Company has recorded provision towards inventory impairment of Rs. 8,430,431 and impairment of property, plant and equipment of Rs. 44,799,514.

Further, in the current year, the Company has discontinued air conditioner business and have determined recoverable value of these assets based on quotation received from prospective buyer and accordingly recorded provision towards impairment of property, plant and equipment of Rs. 9,301,519.

Note b: Settlement of litigation

During the year ended March 31, 2020, an overseas vendor had demanded payments for LEDs so supplied by the vendor. The said matter was in dispute with the arbitrator under the provisions of The Arbitration and Conciliation Act, 1996 and the same was settled with a total outflow of Rs. 4,690,000.

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Note 24: Capital and other commitments

As at March 31, 2021 the Company has capital commitments of Rs. 19,218,931 (March 31, 2020 : Rs. 14,196,970).

Note 25: Earning per share

The following table reflects profit and share data used in basic and diluted EPS computations

Particulars	March 31, 2021Rupees	March 31, 2020Rupees
Loss before exceptional items	(43,09,38,578)	(48,82,14,645)
Loss after exceptional items	(49,34,70,042)	(49,29,04,645)
Weighted average number of equity shares outstanding during the year	1,25,00,000	1,25,00,000
Earning per share (nominal value of Rs. 10 Per Share)		
Before exceptional items - Basic and diluted	(34.48)	(39.06)
After exceptional items - Basic and diluted	(39.48)	(39.43)

Note 26: Pending litigations

Contingent liabilities

Particulars	March 31, 2021Rupees	March 31, 2020Rupees
Claims against the company not acknowledged as debts:		
Direct tax matters	37,92,948	37,92,948
Indirect tax matters	37,71,602	63,15,022
Obligations under EPCG Scheme	5,11,06,149	6,15,53,499
Total	**5,86,70,699**	**7,16,61,469**

Direct and indirect tax matters

The Company is contesting the demands and the management, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demands raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of the operations. Accordingly, no provision for the contingent liability has been recognized in the financial statement.

Obligations under EPCG Scheme

The Company had imported machineries for manufacturing of CFL and Water Heaters under the Export Promotion Capital Goods Authorisation ("EPCG Scheme"). The said Scheme requires the Company to fulfil export obligations equivalent to 6 to 8 times of the duties saved on capital goods. The obligation needs to be fulfilled in a prescribed period reckoned from the date of issue.

For CFL, the Company has met the export obligation partially resulting in unfulfilled duty saved of Rs. Rs. 9,974,069 (March 31, 2020: Rs. 9,974,069) and interest accrued amounting to Rs. 18,211,932 (March 31, 2020: Rs. 16,715,821). The Management has applied to Directorate General of Foreign Trade ("DGFT"), Pune seeking waiver of unfulfilled export obligation as the Company could not meet the same due to competition, low demand, technological obsolescence and newer technologies like LED replacing CFL. The Management based on legal opinion is confident that since CFL technology has become obsolete and replaced by LED, the waiver will be granted for both principal and interest liability. Thus, no provision has been recorded for the same.

For Water Heaters, during the year ended March 31, 2020, the Company was granted an extension by DGFT to meet the export obligation by May and June 2022. Further, the Department allowed Fans assembled by the Company for meeting its export obligation. Though the Company has not made export of Water Heaters and Fans in past, Bajaj Electricals a significant shareholder of the Company has necessary presence in the export market and agreed to support the Company for meeting its export obligations. During the year ended March 31, 2021, the Company has fulfilled certain export obligations through export of Fans by Bajaj Electricals resulting in unfulfilled obligation of Rs. 11,409,280 (March 31, 2020: Rs. 18,754,926) and interest amounting to Rs. 11,510,868 (March 31, 2020: 16,108,683). Based on Company's plan to assemble fans and Bajaj Electricals support, the management is confident of meeting its export obligation by the extended due date. Hence, no provision for these amounts has been recorded in the books.

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Notes to the financial statements for the year ended March 31, 2021

Note 27: Leases

As Lessee

The Company has lease contracts for various plant and machinery used in its operations and the land upon which factory is built. Leases of plant and machinery generally have lease terms between 3 and 5 years, while leasehold land generally have lease term of 67 years.

The Company also has certain leases of storage sapces with lease terms of 12 months or less and leases of godown premises with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases

a. Carrying value of right of use assets at the end of the reporting period by class

As at March 31, 2021

Particulars	Balance at April 1, 2020	Addition during the year	Deletion during the year	Depreciation for the year	Balance at March 31, 2021
Land	64,46,965	-	-	1,58,080	62,88,885
Plant and machinery	5,90,91,953	-	-	3,23,33,574	2,67,58,379
Plant and machinery - Prepaid Lease	25,88,767	-	-	13,89,191	11,99,576
Total	6,81,27,685	-	-	3,38,80,845	3,42,46,840

As at March 31, 2020

Particulars	Balance at April 1, 2020	Addition during the year	Deletion during the year	Depreciation for the year	Balance at March 31, 2021
Land	65,83,854	-	-	1,36,890	64,46,965
Plant and machinery	8,50,40,536	-	-	2,59,48,583	5,90,91,953
Plant and machinery - Prepaid Lease	41,34,576	-	-	15,45,808	25,88,767
Total	9,57,58,966	-	-	2,76,31,281	6,81,27,685

b. Maturity analysis of lease liabilities

Maturity analysis - contractual undiscounted cash flows	March 31, 2021 Rupees	March 31, 2021 Rupees
Less than one year	8,03,89,824	8,23,63,824
One to five years	3,96,26,030	7,64,41,824
More than five years	-	-
Total undiscounted lease liabilities as at year end	12,00,15,854	15,88,05,648
Lease liabilities included in the statement of financial position	10,30,26,718	14,23,70,284
Non-current	2,24,31,758	7,21,92,993
Current	8,05,94,960	7,01,77,291

The weighted average incremental borrowing rate applied to lease liabilities is between the range of 9% to 11% for original period of 60 months.

c. Amounts recognised in statement of profit and loss

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Interest on lease liabilities	1,21,86,533	1,96,56,997
Expenses relating to short-term leases	11,06,200	14,53,200
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	4,64,980	4,81,470
Depreciation expense of right of use assets	3,38,80,845	2,76,31,281
Amount recognised in profit and loss account	4,76,38,558	4,92,22,948

d. Amounts recognised in the statement of cash flows

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Lease liability as at beginning of the year	14,23,70,284	21,30,92,655
Add: Interest on lease liability charged to statement of profit and loss	1,21,86,533	1,96,56,997
Less: Closing liability as at the end of the year	10,30,26,718	14,23,70,284
Total cash outflow for leases	5,15,30,099	9,03,79,368

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Note 28: Related party disclosure

a. Parties having joint control
Bajaj Electricals Limited, holding company

b. Other related parties where transactions have taken place during the year

Entities in which the directors are interested
Solarcopyer Limited
Virtuoso Optoelectronics Private Limited

Associate of Bajaj Electricals Limited
Hind Lamps Limited

c. Key managerial personnel
Ravindra Bharati, Managing Director
Arvind Didwania, Chief Financial Officer
Ravi Uttekar, Company Secretary

d. Relatives of key managerial personnel
Poonam Didwania, Spouse of Chief Financial Officer

Transactions during the year

Sr. no.	Name of parties	Period	Sales to related parties	Purchases from related parties	Job work and other charges	Loans taken	Repayment	Expenses
1	Bajaj Electrical Limited	March 31, 2021	1,51,83,71,875	19,64,95,606	-	1,01,57,81,956	17,83,46,698	11,77,52,965
		March 31, 2020	1,26,86,22,164	14,99,23,089	-	5,50,00,000	5,50,00,000	8,63,00,053
2	Solarcopyer Limited	March 31, 2021	1,652	-	18,29,714	-	-	-
		March 31, 2020	-	-	17,22,580	-	-	-
3	Virtuoso Optoelectronics Private Limited	March 31, 2021	7,65,432	5,66,363	13,81,409	-	-	-
		March 31, 2020	6,05,665	16,70,031	25,00,427	-	-	-
4	Hind Lamps Limited	March 31, 2021	-	-	-	-	-	-
		March 31, 2020	36,43,500	64,34,189	-	-	-	-

Outstanding Balances

Sr. no.	Name of parties	Period	Amount receivable from	Amount payable to related parties	Loan Payable	Interest Payable	Preference shares
1	Bajaj Electrical Limited	March 31, 2021	21,46,17,055	22,01,733	1,70,91,19,482	1,31,08,421	45,00,00,000
		March 31, 2020	12,28,04,172	1,01,14,142	86,83,43,894	64,19,903	45,00,00,000
2	Solarcopyer Limited	March 31, 2021	-	3,58,725	-	-	-
		March 31, 2020	-	7,11,984	-	-	-
3	Virtuoso Optoelectronics Private Limited	March 31, 2021	-	46,590	-	-	-
		March 31, 2020	-	2,84,447	-	-	-
4	Hind Lamps Limited	March 31, 2021	-	-	-	-	-
		March 31, 2020	-	32,24,369	-	-	-

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Sr. no.	Key managerial personnel	Period	Remuneration
1	Ravindra Bharati	March 31, 2021	46,15,000
		March 31, 2020	42,90,000
2	Arvind Didwania	March 31, 2021	19,80,836
		March 31, 2020	19,48,757
3	Ravindra Uttekar	March 31, 2021	9,43,299
		March 31, 2020	8,83,104

Sr. no.	Relatives of key managerial personnel	Period	Expense
1	Poonam Didwania	March 31, 2021	1,00,000
		March 31, 2020	1,00,000

Terms and conditions of outstanding balances with related parties:

Outstanding balances at the year-end are unsecured and settlement occurs in cash. For guarantees provided by related parties refer note 13(a) and 13(b). There are no guarantees provided by the Company to related parties. The Company has not recorded any impairment of receivables relating to amount owned by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Note 29: Gratuity

The Company has a defined benefit gratuity plan which is unfunded. Every employee who has completed 5 years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following table summarizes the components of net benefit expense recognized in the profit and loss account status and amounts recognised in the balance sheet for the gratuity plan.

a. Change in defined benefit obligation

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Liability at the beginning of the year	1,78,71,442	1,24,10,699
Expenses recognised in the statement of profit and loss		
- Interest cost	12,14,398	9,52,802
- Current service cost	22,70,631	14,74,021
Recognised in other comprehensive income		
Re-measurement gains / (losses)		
i. Change in financial assumptions	-	18,16,137
ii. Experience variance	14,15,032	16,08,359
Benefits paid	(5,52,671)	(3,90,576)
Liability at the end of the year	**2,22,18,832**	**1,78,71,442**

The Company estimates Rs. 692,716 (March 31, 2020 : Rs. 876,000) to be paid within next one year.

b. Expenses recognised in the statement of profit and loss

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Net interest expense	12,14,398	9,52,802
Current service cost	22,70,631	14,74,021
Expense recognised in statement of profit and loss	**34,85,029**	**24,26,823**

c. Included in other comprehensive income

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Net actuarial gain / (loss) recognised	(14,15,032)	(34,24,496)
Actuarial gain or (loss) recognised in OCI	**(14,15,032)**	**(34,24,496)**

d. Actuarial assumptions

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Discount rate	6.80%	6.80%
Salary escalation rate	7.00%	7.00%
Attrition rate	2.00%	2.00%

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

e. Sensitivity

Discount rate	March 31, 2021 Rupees	March 31, 2020 Rupees
Change in liability for 1% decrease in discount rate	2,50,34,958	2,00,26,412
Change in liability for 1% increase in discount rate	1,98,57,288	1,60,55,305
Change in liability for 1% decrease in salary escalation rate	1,98,40,953	1,61,90,735
Change in liability for 1% increase in salary escalation rate	2,50,00,779	1,98,18,383
Change in liability for 1% decrease in attrition rate	2,22,87,264	1,79,06,006
Change in liability for 1% increase in attrition rate	2,21,57,851	1,78,41,220

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year and the method of assumption used in preparing sensitivity analysis did not change compared to previous year.

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Notes to the financial statements for the year ended March 31, 2021

Note 30: Fair value measurements

Fair value by category

The carrying value of financial assets / liabilities by categories are as follows :

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
A. Financial assets		
Measured at amortised cost		
Trade receivables	25,28,16,469	25,96,46,409
Cash and cash equivalents	76,21,465	57,119
Other financial assets (current)	10,43,80,869	9,79,75,916
Other financial assets (non-current)	5,94,70,694	2,41,13,722
B. Financial liabilities		
Measured at amortised cost		
Trade payables	29,24,06,542	28,34,84,199
Other financial liabilities	1,87,30,46,875	1,26,54,86,598
Lease Liability	10,30,26,718	14,23,70,284
Short term borrowings	1,85,61,11,674	1,74,64,49,979
Long term Borrowings	1,25,25,47,767	1,50,73,90,828

Except long term borrowing and other non-current financial assets all financial assets and liabilities are short term. Hence, their value is not expected to be materially different from carrying amount.

Regarding long-term borrowing and other non-current financial assets, the Company has determined the fair value to be not materially different to the carrying amount. The fair value is Level 2 fair value determined using DCF approach and observable inputs.

Note 31: Financial risk management objectives and policies

The Company's principal financial liabilities comprise of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the entity's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities mainly in relation to trade receivables.

Trade receivables

Trade receivables of the Company are typically unsecured and credit risk is managed through credit approvals and periodical monitoring of the creditworthiness of customers to which the Company grants credit terms.

The Company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from such trade receivables. In respect of trade receivables, the Company has a provisioning policy that is commensurate to the expected losses. The provisioning policy is based on past experience, customer creditability, and also on the nature and specifics of business.

The maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of such trade and other receivables as shown in note 5(a) of the financials.

Reconciliation of impairment allowance on trade receivables

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Opening allowance	**1,95,51,920**	1,95,59,563
Created during the year	-	-
Utilised during the year	(1,95,51,920)	(7,643)
Closing allowance	-	**1,95,51,920**

Cash and cash equivalents

The Company maintains its cash and bank balances with credit worthy banks and reviews it on an on-going basis. Moreover, the interest-bearing deposits are with banks of reputation, good past track record and high-quality credit rating. Hence, the credit risk is assessed to be low. The maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of such cash and cash equivalents and deposits with banks as shown in note 5(b) of the financials.

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(B) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

Bank overdraft facilities are sanctioned for a period of one year which are then enhanced / renewed from time to time. Though the bank overdrafts are repayable on demand as per the terms of sanction, these are usually renewed by all banks in normal circumstances. Hence bank overdraft facilities are available for use throughout the year. The Company receives a line of credit from its related parties. The Company also receives a line of credit from its related parties. Also, Bajaj Electricals Limited (joint investor) has agreed to provide necessary financial support so that the Company is able to meets its obligations on time.

Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Carrying value as at March 31, 2021	upto 1 year	More than 1 Year	Total
Borrowings	3,10,86,59,441	1,85,61,11,674	1,82,33,81,190	3,67,94,92,864
Trade payables	29,24,06,543	29,24,06,543	-	29,24,06,543
Lease liability	10,30,26,718	8,03,89,824	3,96,26,030	12,00,15,854
Other financial liabilities	1,87,30,46,875	1,87,30,46,875	-	1,87,30,46,875
Total	**5,37,71,39,577**	**4,10,19,54,916**	**1,86,30,07,220**	**5,96,49,62,136**

Particulars	Carrying value as at March 31, 2020	upto 1 year	More than 1 Year	Total
Borrowings	3,25,38,40,807	1,74,98,14,813	2,15,42,36,147	3,90,40,50,960
Trade payables	28,34,84,199	28,65,63,772	-	28,65,63,772
Lease liability	14,23,70,284	8,23,63,824	7,64,41,824	15,88,05,648
Other financial liabilities	1,26,54,86,598	1,26,24,07,025	-	1,26,24,07,025
Total	**4,94,51,81,887**	**3,38,11,49,434**	**2,23,06,77,971**	**5,61,18,27,405**

(C) Market Risk

Market risk is the risk that the fair value of 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 such as commodity risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company has certain export sales and therefore is exposed to foreign exchange risk arising from foreign currency transactions. The Company also has imports payables arising out of trade in the normal course of business. As these commercial transactions are recorded in currency other than the functional currency (INR), the Company is exposed to Foreign Exchange risk arising from future commercial transactions and recognised assets and liabilities.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period is as under :

Particulars	March 31, 2021		March 31, 2020	
	USD	EUR	USD	EUR
Financial assets	53,318	90,582	11,294	1,85,759
Financial liabilities	15,085	46,250	64,600	-

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b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments is given below:

Financial assets

Currency	Change in Rate	Effect on profit before tax in INR	
		March 31, 2021	March 31, 2020
USD	+5%	1,95,956	42,536
USD	-5%	(1,95,956)	(42,536)
Euro	+5%	3,89,951	7,71,782
Euro	-5%	(3,89,951)	(7,71,782)

Financial liabilities

Currency	Change in Rate	Effect on profit before tax in INR	
		March 31, 2021	March 31, 2020
USD	+5%	(55,441)	(2,43,298)
USD	-5%	55,441	2,43,298
Euro	+5%	(1,99,104)	-
Euro	-5%	1,99,104	-

Note 32: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder's value. The Company's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The Company's policy is to keep debt equity ratio below three and infuse capital if and when required through issue of new shares and/or better operational results and efficient working capital management.
The Company monitors capital on the basis of the following gearing ratio:

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Borrowings (refer note 13 a & b)	3,10,86,59,441	3,25,38,40,807
Current maturities of long term debt (refer note 13 c)	1,83,26,72,668	1,22,73,42,621
Net debt (A)	**4,94,13,32,109**	**4,48,11,83,428**
Total equity (B)	**(3,61,81,44,884)**	**(3,12,32,59,810)**
Debt / equity ratio (A/B)	**(1.37)**	**(1.43)**

At the reporting date as well as at the end of the comparative period, the Company has negative equity. Hence its debt equity ratio is not met. However, the Company has received commitment from Bajaj Electricals Limited to continue providing funds so that the Company is able to meet its business obligations. Also, its liabilities include Rs 1,709,119,486 (March 31, 2020 Rs. 1,331,468,961) payable to Bajaj Electricals Limited. Considering, Bajaj Electricals Limited commitment to continue providing support, these obligations are not likely to be called in near future.

Note 33: Going Concern

During the period ended March 31, 2021 the Company incurred a net loss of Rs. 493,470,042 (March 31, 2020 Rs. 492,904,645). As at March 31, 2021, the Company has accumulated losses of Rs. 3,743,144,884 (March 31, 2020 Rs. 3,248,259,810), negative net worth of Rs. 3,518,533,027 (March 31, 2020 Rs. 3,023,647,953) and negative working capital of Rs. 3,353,927,401 (March 31, 2020: Rs. 2,695,028,377). The management plans to take steps to reduce its cost, diversify product portfolio, identify new customers and make the operations profitable in the future. Further, Bajaj Electricals Limited, being a significant shareholder and customer of the Company, has committed to provide continuing financial and operational support to the Company for its continued operations in the foreseeable future. The Company has received an additional equity infusion of Rs. 450,000,000 from Bajaj Electricals after the reporting period. Consequently, Bajaj Electricals has become the holding company and has obtained unilateral control over the Company. Also, after the reporting period the Company has agreed to sell the land and building at Satpur unit to one of the shareholders for a considertion of Rs. 90,000,000. Furthermore, Bajaj is evaluating merger plan with the Company on a going concern basis. Accordingly these financial statements have been prepared under the going concern assumption.

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Notes to the financial statements for the year ended March 31, 2021

Note 34: Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

The disclosure of the amounts due to suppliers under MSMED Act is as under:

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Principal amount due to suppliers under MSMED Act as on March 31	9,96,70,814	8,16,84,973
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount,	5,88,065	12,06,909
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under the MSMED Act	-	-
Interest due and payable towards suppliers under MSMED Act towards payments already made	12,06,909	-
Interest accrued and remaining unpaid at the end of the accounting year	17,94,974	12,06,909

The information has been given in respect of such vendors to the extent they could be identified as 'micro and small enterprises' on the basis of information available with the Company.

Note 35: Segment information

Operating segments are defined as components of an entity for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance. The Company's CODM is the Managing Director and the Company has only one reportable segment i.e. Consumer Products.

Consumer Products includes lighting products which includes CFL and LED lamps, its components and accessories and Water heaters, Air conditioners, Mixers and Blenders. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments, viz. single segment of consumer products. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Geographical segment:

The business is organised in two geographical segments i.e. within India and outside India.

a) Revenue from external customers

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
Segment revenues		
India	1,71,67,50,771	1,62,72,40,435
Outside India	2,87,62,220	3,95,34,462
Total revenue per statement of profit or loss	**1,74,55,12,991**	**1,66,67,74,897**

b) Non-current assets:

Particulars	March 31, 2021 Rupees	March 31, 2020 Rupees
India	1,02,58,67,822	1,16,92,07,338
Outside India	-	-
Total	**1,02,58,67,822**	**1,16,92,07,338**

All non-current assets of the Company are located in India.

c) Customers contributing more than 10% of the revenue

In the consumer products segment, 1 customer contributed to Rs 1,518,371,875 revenue accounting for 87% of the total revenue. In the previous year, in the consumer products segment, 2 customers contributed to Rs 1,551,302,367 revenue accounting for 93% of the total

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Note 36: Impact of COVID 19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow-down in economic activity. The Company has performed comprehensive assessment of the possible impact of the ongoing COVID 19 pandemic on their operations, liquidity position and the consequential impact on the realizability of its asset balances as at March 31, 2021, considering the internal and external information upto the date of approval of financial statements including economic forecasts. The Company has performed analysis on the assumptions used and based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of the assets. The Company has resumed operations taking into account directives from the Government. Considering the constantly evolving situation, the impact assessed may be different after the date of approval of these financial statements and the management will continue to monitor any material changes arising due to impact of this pandemic on the financial and operation performance of the Company and take necessary measures to address the situation.

Note 37: Subsequent events

Pursuant to the extra-ordinary general meeting of the members of the Company held on April 29, 2021 it was resolved:

(a) That Mr. Ravindra Bharati and Mr. Arvind Bharati ("Bharati Promoters") have agreed to relinquish and transfer control and management rights to Bajaj Electricals Limited through execution of the Control Transfer Agreement between the Company, Bharati Promoters and Bajaj Electricals Limited. Bajaj Electricals Limited shall pay a control premium of Rs. 148,000,000 to the outgoing Bharati Promoters in the agreed ratio in the manner stated in the said Control Transfer Agreement.

(b) To assign all the rights, titles and interest of the Company under the lease agreement between Maharashtra State Industrial Development Corporation and the Company in respect of all the piece of leasehold industrial land alongwith all the allied buildings/structures thereon of Satpur Unit in favour of Mr. Ravindra Bharati for a total consideration of Rs. 90,100,000. Till the time such necessary approvals for the assignment are received, the Company shall enter into leave and license agreement with Starlite Electrodrives Private Limited in respect of the said unit for such period and on such monthly license fees as may be determined and decided by the Board at its own discretion.

Further, pursuant to the extra-ordinary general meeting of the members of the Company held on May 3, 2021, the Company has allotted 45,000,000 equity shares of Rs. 10 each aggregating to Rs. 450,000,000 by way of preferential allotment to Bajaj Electricals Limited and other persons mentioned therein on a private placement basis.

Note 38: Proposed merger

The Board of Directors of Bajaj Electricals Limited has decided to commence evaluation of a potential merger of the Company into Bajaj Electricals Limited with a view to combine the strengths and synergies of both businesses so as to benefit all stakeholders. The decision to merge shall be taken based on the recommendations of Bajaj Electricals Limited Management and Audit Committee.

For S R B C & CO LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Vishal Bansal
Partner
Membership No. 097546

Place of signature : Mumbai
Date: May 14, 2021

For and on behalf of Board of Directors of Starlite Lighting Limited

Shekhar Bajaj
Chairman
DIN: 00089358

Place of signature : Mumbai
Date: May 14, 2021

Pasam V S Prasad
Managing Director
DIN: 00148936

Place of signature : Mumbai
Date: May 14, 2021

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Ravindra Uttekar
Company Secretary

Place of signature : Nashik
Date: May 14, 2021

Suhas Wagh
Chief Financial Officer

Place of signature : Nashik
Date: May 14, 2021