Starlite Lighting Limited
Balance sheet as at March 31, 2022
Management Certified Accounts

Particulars	Notes	March 31, 2022 Rupees	March 31, 2021 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	3	89,35,60,074	96,62,79,985
Capital work in progress	4	16,15,000	1,94,93,340
Intangible assets	5	-	-
Right-of-use assets	28	-	3,42,46,840
Financial assets			
Other financial assets	6(c)	11,65,65,777	10,43,80,869
Deferred tax assets (net)	7	-	-
Advance income tax (net)	8	40,93,069	16,51,322
Other non-current assets	9	-	58,47,657
Total non-current assets		**1,01,58,33,920**	**1,13,19,00,013**
Current assets			
Inventories	10	32,04,49,917	35,74,52,237
Financial assets			
Trade receivables	6(a)	18,50,02,187	25,28,16,469
Cash and cash equivalents	6(b)	53,06,203	76,21,465
Other financial assets	6(c)	4,12,74,749	5,94,70,694
Other current assets	11	12,35,57,269	10,44,81,993
Total current assets		**67,55,90,325**	**78,18,42,858**
TOTAL ASSETS		**1,69,14,24,245**	**1,91,37,42,871**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	57,50,00,000	12,50,00,000
Other equity			
Capital reserve	13	6,46,11,857	6,46,11,857
Securities premium	13	3,50,00,000	3,50,00,000
Retained earnings	13	(4,14,06,05,645)	(3,74,31,44,882)
Total equity		**(3,46,59,93,788)**	**(3,51,85,33,025)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14(a)	4,35,57,66,098	1,25,25,47,767
Lease liability	28	-	2,24,31,758
Long term provisions	15	1,51,73,165	2,15,26,116
Total non-current liabilities		**4,37,09,39,263**	**1,29,65,05,641**
Current liabilities			
Financial liabilities			
Borrowings	14(b)	54,18,80,461	3,68,87,84,342
Lease liability	28	-	8,05,94,960
Trade payables			
Dues of micro enterprises and small enterprises	14(d)	4,19,19,960	9,96,70,814
Dues of creditors other than micro enterprise and small enterprises	14(d)	12,35,15,004	19,27,35,727
Other financial liabilities	14(c)	5,51,81,759	4,03,74,207
Short term provisions	15	1,86,53,001	2,96,12,775
Other current liabilities	16	53,28,585	39,97,430
Total current liabilities		**78,64,78,770**	**4,13,57,70,255**
Total liabilities		**5,15,74,18,033**	**5,43,22,75,896**
TOTAL EQUITY AND LABILITIES		**1,69,14,24,245**	**1,91,37,42,871**

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 and on behalf of Board of Directors
of Starlite Lighting Limited

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

Suhas Wagh	**Ravindra Uttekar**
Chief Financial Officer	**Company Secretary**
Place of signature : Nashik	Place of signature : Nashik
Date: May 14, 2022	Date: May 14, 2022

Starlite Lighting Limited

Statement of profit and loss for the year ended March 31, 2022

Management Certified Accounts

Particulars	Notes	March 31, 2022 Rupees	March 31, 2021 Rupees
INCOME			
Revenue from operations	17	1,91,92,75,142	1,81,00,19,797
Other income	18	6,45,91,355	81,54,442
Total income		**1,98,38,66,497**	**1,81,81,74,239**
EXPENSES			
Cost of raw material consumed	19(a)	1,43,42,23,560	1,32,00,24,513
(Increase)/ decrease in inventories of finished goods and work-in-progress	19(b)	(89,84,470)	1,01,01,130
Employee benefits expense	20	11,08,77,227	10,52,57,077
Depreciation and amortization expense	21	8,01,08,720	10,06,77,853
Other expenses	22	18,42,92,386	21,39,54,944
Finance cost	23	53,85,69,492	49,90,97,299
Total expense		**2,33,90,86,915**	**2,24,91,12,816**
Loss before exceptional items and tax		**(35,52,20,418)**	**(43,09,38,577)**
Exceptional items	24	4,31,02,650	6,25,31,464
Loss before tax from continuing operations		**(39,83,23,068)**	**(49,34,70,041)**
Income tax expense		-	-
Loss for the year		**(39,83,23,068)**	**(49,34,70,041)**
Other comprehensive income			
Re-measurements gains/(losses) on defined benefit plans		8,62,305	(14,15,032)
Income tax effect		-	-
Other comprehensive income/(loss), net of tax		**8,62,305**	**(14,15,032)**
Total comprehensive income/(loss) for the year, net of tax		**(39,74,60,763)**	**(49,48,85,073)**
Paid-up equity share capital *(Face value of equity shares: Rs. 10 each fully paid up)*		57,50,00,000	12,50,00,000
Earnings per share - face value Rs. 10.00 per share	26		
Before exceptional items - Basic and diluted		(6.76)	(34.48)
After exceptional items - Basic and diluted		(7.58)	(39.48)

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 and on behalf of Board of Directors
of Starlite Lighting Limited

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

Suhas Wagh
Chief Financial Officer

Place of signature : Nashik
Date: May 14, 2022

Ravindra Uttekar
Company Secretary

Place of signature : Nashik
Date: May 14, 2022

Starlite Lighting Limited
Cash flow statement for year ended March 31, 2022
Management Certified Accounts

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Operating activities		
Loss before tax	**(39,83,23,068)**	**(49,34,70,041)**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment of property, plant and equipment	11,61,00,067	15,47,78,886
Impairment of inventories	66,45,092	3,86,25,116
Gain on sale of property, plant and equipment	(6,31,78,829)	(68,273)
Reversal of Industrial Promotion Subsidy	88,55,147	-
Finance costs (including fair value change in financial instruments)	53,85,69,492	49,90,97,299
Finance income (including fair value change in financial instruments)	19,87,387	(40,82,751)
Working capital adjustments:		
(Increase)/decrease in trade receivables	6,78,14,282	68,29,940
(Increase)/decrease in inventories	3,03,57,228	(5,55,08,137)
(Increase)/decrease in other financial assets: non-current	(2,04,29,225)	(59,53,486)
(Increase)/decrease in other financial assets: current	1,41,66,694	(2,71,81,125)
(Increase)/decrease in other current assets	(1,90,75,276)	(2,33,19,431)
Increase/(decrease) in long term provisions	(54,90,646)	31,15,403
Increase/(decrease) in short term provisions	(1,09,59,774)	(12,26,898)
Increase/(decrease) in trade payables	(65,93,19,040)	16,07,04,299
Increase/(decrease) in other current liabilities	13,31,155	(1,42,230)
Increase/(decrease) in other financial liabilities: current	(54,73,449)	61,21,995
	(39,64,22,763)	**25,83,20,566**
Income tax paid (net of refunds)	(24,41,747)	(8,74,653)
Net cash flows from operating activities	**(39,88,64,510)**	**25,74,45,913**
Investing activities		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(1,70,17,493)	(1,50,91,496)
Proceeds from sale of property, plant and equipment and right-of-use assets	9,47,89,004	20,77,000
Investment in fixed deposit with original maturity of more than twelve months	(6,10,830)	(4,51,467)
Interest received	20,41,865	(40,93,096)
Net cash flows used in investing activities	**7,92,02,546**	**(1,75,59,059)**
Financing activities		
Proceeds from issuance of equity share capital	45,00,00,000	-
Finance cost	(41,74,95,229)	(41,31,46,618)
Payment for lease liabilities (including interest cost)	(12,06,48,460)	(5,15,30,099)
Proceeds from borrowings	3,21,63,97,059	28,51,14,601
Repayment of borrowings	(2,81,09,06,668)	(5,27,60,392)
Net cash flows from financing activities	**31,73,46,702**	**(23,23,22,508)**
Net increase/(decrease) in cash and cash equivalents	(23,15,262)	75,64,346
Cash and cash equivalents at the beginning of the year	76,21,465	57,119
Cash and cash equivalents at the end of the year	**53,06,203**	**76,21,465**

Components of cash and cash equivalents [(refer note 6(b)]

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Balances with banks - in current accounts	52,81,417	76,18,887
Cash on hand	24,786	2,578
Cash and cash equivalents at the end of the year	**53,06,203**	**76,21,465**

Changes in liabilities arising from financial activities

Particulars	April 1, 2021 Rupees	Cash flows*	Discount unwinding	Interest on lease liability	March 31, 2022 Rupees
Short term borrowings (including current maturities of long term debt)	3,68,87,84,342	(3,14,69,03,881)	-	-	54,18,80,461
Long term borrowings	1,25,25,47,767	3,02,00,46,810	8,31,71,521	-	4,35,57,66,098
Lease liability	10,30,26,718	(12,06,48,460)	-	1,76,21,742	-
Total	**5,04,43,58,827**	**(24,75,05,531)**	**8,31,71,521**	**1,76,21,742**	**4,89,76,46,559**

Particulars	April 1, 2020	Cash flows*	Discount unwinding	Interest on lease liability	March 31, 2021
Short term borrowings (including current maturities of long term debt)	1,74,64,49,979	1,94,23,34,363	-	-	3,68,87,84,342
Long term borrowings	2,73,47,33,449	(1,55,81,98,198)	7,60,12,516	-	1,25,25,47,767
Lease liability	14,23,70,284	(5,15,30,099)	-	1,21,86,533	10,30,26,718
Total	**4,62,35,53,712**	**33,26,06,066**	**7,60,12,516**	**1,21,86,533**	**5,04,43,58,827**

* Cash flow movement of the borrowings include non cash transaction of Rs. 532,347,462 (March 31, 2021 : Rs. 151,781,956) 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

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

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

Suhas Wagh
Chief Financial Officer

Place of signature : Nashik
Date: May 14, 2022

Ravindra Uttekar
Company Secretary

Place of signature : Nashik
Date: May 14, 2022

Starlite Lighting Limited
Statement of changes in equity for the year ended March 31, 2022
Management Certified Accounts

a. Equity share capital (refer note 12)

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
At the beginning of the year	12,50,00,000	12,50,00,000
Issued during year	45,00,00,000	-
At the end of the year	**57,50,00,000**	**12,50,00,000**

b. Other equity (refer note 13)

Particulars	Reserves and surplus			Total
	Capital reserve	Securities premium	Retained earnings	
Balance as at April 1,2020	**6,46,11,857**	**3,50,00,000**	**(3,24,82,59,809)**	**(3,14,86,47,952)**
Loss for the period	-	-	(49,34,70,041)	**(49,34,70,041)**
Other comprehensive income (net)	-	-	(14,15,032)	**(14,15,032)**
Total comprehensive income	-	-	**(49,48,85,073)**	**(49,48,85,073)**
Balance as at March 31, 2021	**6,46,11,857**	**3,50,00,000**	**(3,74,31,44,882)**	**(3,64,35,33,025)**
Loss for the period	-	-	(39,83,23,068)	**(39,83,23,068)**
Other comprehensive income (net)	-	-	8,62,305	**8,62,305**
Total comprehensive income	-	-	**(39,74,60,763)**	**(39,74,60,763)**
Balance as at March 31, 2022	**6,46,11,857**	**3,50,00,000**	**(4,14,06,05,645)**	**(4,04,09,93,787)**

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 and on behalf of Board of Directors
of Starlite Lighting Limited

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

Suhas Wagh
Chief Financial Officer

Place of signature : Nashik
Date: May 14, 2022

Ravindra Uttekar
Company Secretary

Place of signature : Nashik
Date: May 14, 2022

Starlite Lighting Limited

Notes to the management certified financial statements for the year ended March 31, 2022

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.

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, 2022.

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 period.

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.

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

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.

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.

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

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.

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

Starlite Lighting Limited

Notes to the management certified financial statements for the year ended March 31, 2022

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.

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.

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

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

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

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.

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.

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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.

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

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Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- 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.

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 included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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.

Financial asset included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

The Company does not hold any equity investments.

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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.

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.

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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:

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.

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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.

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.

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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 6(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 15.

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 7).

d. Impairment of non-financial asset

In case of non-financial assets, Company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using 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.

e. 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 34).

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2.3 New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

a. Interest Rate Benchmark Reform - Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

(i) A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

(ii) Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

(iii) Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

b. Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after April 1, 2021.

These amendments had no impact on the financial statements of the Company.

c. Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after April 1, 2020.

These amendments had no impact on the financial statements of the Company.

d. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

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Notes to the management certified financial statements for the year ended March 31, 2022

Note 3: Property, plant and equipment

Particulars	Freehold land	Building	Plant and machinery	Vehicle	Furniture and fixtures	Computers	Office equipments	Total
Cost								
As at April 1, 2020	3,98,93,558	59,37,89,026	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)	(28,22,83,183)
As at March 31, 2021	3,98,93,558	60,31,89,404	93,83,63,503	11,84,792	2,82,13,089	41,97,892	4,34,29,594	1,65,84,71,832
Additions	-	32,68,057	5,03,07,013	-	1,36,766	92,205	9,73,499	5,47,77,540
Disposals	-	(3,77,26,434)	(1,50,17,160)	-	-	-	-	(5,27,43,594)
As at March 31, 2022	3,98,93,558	56,87,31,027	97,36,53,356	11,84,792	2,83,49,855	42,90,097	4,44,03,093	1,66,05,05,778
Depreciation and impairment								
As at April 1, 2020	-	9,68,50,207	70,82,33,344	11,25,552	84,95,829	36,94,390	3,31,68,938	85,15,68,260
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)	(69,75,884)	(28,02,74,454)
Impairment (refer note 24)	-	-	5,41,01,033	-	-	-	-	5,41,01,033
As at March 31, 2021	-	11,50,59,489	53,34,66,949	11,25,552	92,10,842	34,21,686	2,99,07,329	69,21,91,847
Charge for the year	-	1,44,24,122	4,33,47,865	-	22,81,335	2,55,695	28,69,812	6,31,78,829
Disposals	-	(1,47,22,850)	(96,93,469)	-	-	-	-	(2,44,16,319)
Impairment (refer note 24)	-	-	3,59,91,347	-	-	-	-	3,59,91,347
As at March 31, 2022	-	11,47,60,761	60,31,12,692	11,25,552	1,14,92,177	36,77,382	3,27,77,140	76,69,45,704
Net block								
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	1,35,22,265	96,62,79,985
As at March 31, 2022	3,98,93,558	45,39,70,266	37,05,40,664	59,240	1,68,57,678	6,12,715	1,16,25,953	89,35,60,074

Note 3.1: Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in note 14(b).

Note 3.2: The Company has not revalued its property, plant and equipment during the year ended March 31, 2022 and March 31, 2021.

Note 3.3: The title deeds of immovable properties are held in the name of the Company.

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Note 4: Capital work in progress

Note 4.1: The movement in capital work in progress is as under:

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
As at the beginning of the year	1,94,93,340	1,27,97,669
Additions during the year	1,63,60,589	1,60,96,049
Capitalisation during the year	(3,42,38,929)	(94,00,378)
As at the end of the year	**16,15,000**	**1,94,93,340**

Note 4.2: Capital work in progress ageing schedule

As at March 31, 2022

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	16,15,000	-	-	-	16,15,000
Projects temporarily suspended	-	-	-	-	-
Total	**16,15,000**	**-**	**-**	**-**	**16,15,000**

As at March 31, 2021

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	1,78,50,340	16,43,000	-	-	1,94,93,340
Projects temporarily suspended	-	-	-	-	-
Total	**1,78,50,340**	**16,43,000**	**-**	**-**	**1,94,93,340**

Note 4.3: There are no projects in capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

Note 5: Intangible assets

Particulars	Computer software	Total
Cost		
As at April 1, 2020	86,03,530	86,03,530
As at March 31, 2021	86,03,530	86,03,530
As at March 31, 2022	86,03,530	86,03,530
Amortization		
As at April 1, 2020	86,03,530	86,03,530
As at March 31, 2021	86,03,530	86,03,530
As at March 31, 2022	86,03,530	86,03,530
Net block		
As at March 31, 2021	-	-
As at March 31, 2022	-	-

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Note 5.1: Though the Company has fully amortised computer software asset, the same is still under use for business purpose.

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Notes to the management certified financial statements for the year ended March 31, 2022

Note 6: Financial assets

6(a) Trade receivables (current)

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Trade receivables from unrelated parties		
- considered good	7,22,78,979	3,81,99,414
- credit impaired	20,37,336	-
Receivables from related parties (considered good) (refer note 29)	11,27,23,209	21,46,17,055
	18,70,39,524	25,28,16,469
Less: Allowances for doubtful debts	(20,37,337)	-
Total trade receivables	18,50,02,187	25,28,16,469

Trade receivables ageing schedule

As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed trade receivables							
- considered good	-	14,30,88,321	2,95,59,788	1,23,54,079	-	-	18,50,02,188
Disputed trade receivables							
- credit impaired	-	-	20,37,336	-	-	-	20,37,336
Total	-	14,30,88,321	3,15,97,124	1,23,54,079	-	-	18,70,39,524
Less: Allowances for doubtful debts							(20,37,337)
Total							18,50,02,187

As at March 31, 2021

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed trade receivables							
- considered good	-	22,74,80,466	96,09,285	1,57,26,718	-	-	25,28,16,469
Total	-	22,74,80,466	96,09,285	1,57,26,718	-	-	25,28,16,469
Less: Allowances for doubtful debts							-
Total							25,28,16,469

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 14(b).

6(b) Cash and cash equivalents

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Balances with banks - in current accounts	52,81,417	76,18,887
Cash on hand	24,786	2,578
Total cash and cash equivalents	53,06,203	76,21,465

6(c) Other financial assets

Unsecured (Considered good, unless otherwise stated)

Particulars	March 31, 2022 Rupees		March 31, 2021 Rupees	
	Non-current	Current	Non-Current	Current
Deposits with original maturity of more than twelve months (refer note a)	1,09,91,379	-	1,03,80,549	-
Security deposits (refer note b)	31,86,212	-	31,36,212	1,94,85,545
Interest receivable	-	1,86,795	-	2,41,273
GST refund receivable	-	-	-	-
Receivable towards Industrial Promotion Subsidy under PSI, 2007	10,23,88,186	4,10,87,954	9,08,64,108	3,72,74,635
Others	-	-	-	24,69,241
Total other financial assets	11,65,65,777	4,12,74,749	10,43,80,869	5,94,70,694

Note a: The aforesaid fixed deposits are against bank guarantees provided to custom authorities and customers.

Note b: Security deposit for the year ended March 31, 2021 mainly consisted of deposit paid to Tata Capital Financial Services Limited of Rs. 19,935,822 for property, plant and equipment taken on lease. During the year ended March 31, 2022, the Company has foreclosed the lease and the amount of security deposit has been adjusted against the said foreclosure.

Note c: The Company has not granted any loans or advances in the nature of loans to promoters, directors, key management personnel and the related parties.

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Note 7: Deferred tax assets

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Deferred tax liability		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	3,73,65,387	2,65,80,599
Total deferred tax liability	**3,73,65,387**	**2,65,80,599**
Deferred tax asset		
Provision for doubtful debts and warranty	30,12,852	37,84,465
Impact of expenditure charged to the statement of profit and loss in the current year but disallowed for tax purposes	70,16,835	1,03,48,200
Losses available for offsetting against future taxable income	2,73,35,700	1,24,47,934
Deferred tax asset to the extent of liability	**3,73,65,387**	**2,65,80,599**
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, the Company has recognised deferred tax asset to the extent of deferred tax liability.

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Business loss	1,99,47,18,348	1,80,45,88,388
Unabsorbed depreciation	1,51,95,60,571	1,39,53,71,472
Total	**3,51,42,78,919**	**3,19,99,59,860**

The details of expiry of business loss is as under:

Year of loss	Amount	Expiry
2014-2015	2,47,82,605	2022-23
2016-2017	11,16,97,012	2024-25
2017-2018	30,91,87,242	2025-26
2018-2019	48,46,85,084	2026-27
2019-2020	36,55,91,275	2027-28
2020-2021	35,08,73,296	2029-30
2021-2022	34,79,01,834	2030-31
Total	**1,99,47,18,348**	

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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Notes to the management certified financial statements for the year ended March 31, 2022

Note 8: Advance income tax (net)

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Income tax asset (net)	40,93,069	16,51,322
Total advance income tax (net)	**40,93,069**	**16,51,322**

Note 9: Other non-current assets

Unsecured (Considered good, unless otherwise stated)

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Capital advances	-	58,47,657
Total other non-current assets	**-**	**58,47,657**

Note 10: Inventories

(At lower of cost and net realisable value)

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Raw materials	22,55,61,899	26,59,43,094
(including goods in transit of Rs. 20,281,040 (March 31, 2021 : Rs. 25,342,276)		
Work-in-progress	2,30,63,723	3,95,27,370
Finished goods	4,59,23,062	2,04,74,945
Stores and spares	32,52,427	47,70,633
Packing and other material	2,26,48,806	2,67,36,195
Total inventories	**32,04,49,917**	**35,74,52,237**

During the year ended March 31, 2022, an amount of Rs. 48,114,359 (March 31, 2021: Rs. 38,625,116) 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 14(b).

Note 11: Other current assets

Unsecured (Considered good, unless otherwise stated)

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Advances to suppliers	85,55,140	65,76,786
Advance to others	9,15,497	6,78,826
Prepaid expenses	21,84,436	21,01,044
Balances with government authorities	11,19,02,196	9,51,25,337
Total other current assets	**12,35,57,269**	**10,44,81,993**

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Notes to the management certified financial statements for the year ended March 31, 2022

Note 12 : Equity share capital

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Authorised		
102,500,000 (March 31, 2021: 102,500,000) shares of Rs.10 each	1,02,50,00,000	1,02,50,00,000
Issued, subscribed and fully paid-up		
57,500,000 (March 31, 2021: 12,500,000) equity shares of Rs.10 each	57,50,00,000	12,50,00,000
	57,50,00,000	**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, 2022 Rupees		March 31, 2021 Rupees	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	1,25,00,000	12,50,00,000	1,25,00,000	12,50,00,000
Add: Shares issued during the year	4,50,00,000	45,00,00,000	-	-
Outstanding at the end of the year	**5,75,00,000**	**57,50,00,000**	**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, 2022, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (March 31, 2021: 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, 2022 Rupees		March 31, 2021 Rupees	
	No. of shares	% holding	No. of shares	% holding
M/s Bajaj Electricals Limited	5,08,74,990	88.48%	58,75,000	47.00%
Arvind Bharati	7,02,500	1.22%	7,02,500	5.62%
Ravindra Bharati	25,60,000	4.45%	25,60,000	20.48%
M/s Jamnalal & Sons	16,25,000	2.83%	16,25,000	13.00%
M/s Starlite Components Limited	6,87,500	1.20%	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.

f. Shareholding of promoters

As at March 31, 2022

(Equity shares of Rs. 10 each, fully paid)

Name of the promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
M/s Bajaj Electricals Limited	58,75,000	4,49,99,990	5,08,74,990	88.48%	41.48%
Arvind Bharati	7,02,500	-	7,02,500	1.22%	-4.40%
Ravindra Bharati	25,60,000	-	25,60,000	4.45%	-16.03%

As at March 31, 2021

(Equity shares of Rs. 10 each, fully paid)

Name of the promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
M/s Bajaj Electricals Limited	58,75,000	-	58,75,000	47.00%	-
Arvind Bharati	7,02,500	-	7,02,500	5.62%	-
Ravindra Bharati	25,60,000	-	25,60,000	20.48%	-

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Note 13 : Other equity

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Capital reserve	6,46,11,857	6,46,11,857
Securities premium	3,50,00,000	3,50,00,000
Retained earnings	(4,14,06,05,646)	(3,74,31,44,882)
Total other equity	**(4,04,09,93,789)**	**(3,64,35,33,025)**

(i)

Capital reserve	March 31, 2022 Rupees	March 31, 2021 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, 2022 Rupees	March 31, 2021 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, 2022 Rupees	March 31, 2021 Rupees
Opening balance	(3,74,31,44,883)	(3,24,82,59,810)
Loss for the year	(39,83,23,068)	(49,34,70,041)
Other comprehensive income/(loss)	8,62,305	(14,15,032)
Closing balance	**(4,14,06,05,646)**	**(3,74,31,44,883)**

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

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Notes to the management certified financial statements for the year ended March 31, 2022

Note 14(a) : Long term borrowings

Particulars	March 31, 2022 Rupees		March 31, 2021 Rupees	
	Non-current	Current	Non-current	Current
Debentures (secured) (refer note a)				
Debentures	-	-	32,35,36,523	87,93,45,524
Less: Unamortised loan processing charges	-	-	-	(24,89,863)
	-	-	32,35,36,523	87,68,55,661
Non-convertible preference shares (unsecured) (refer note b)				
10,000,000 9% Redeemable preference shares	19,98,35,760	-	18,26,34,862	-
5,000,000 9% Redeemable preference shares	9,01,02,552	-	8,23,46,959	-
30,000,000 Redeemable preference shares	67,63,27,786	-	61,81,12,756	-
Term loan from banks (secured) (refer note c)	-	-	4,59,16,667	1,13,52,500
Term loan from related party (unsecured) [refer note (d) and 29]	3,38,95,00,000	2,80,00,000	-	94,40,00,000
Sales tax deferral loan (unsecured) (refer note e)	-	-	-	4,64,507
	4,35,57,66,098	**2,80,00,000**	**1,25,25,47,767**	**1,83,26,72,668**
Amount disclosed under the head "Short-term borrowings" [refer note 14(b)]	-	(2,80,00,000)	-	(1,83,26,72,668)
Total long term borrowings	**4,35,57,66,098**	**-**	**1,25,25,47,767**	**-**

(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. During the year ended March 31, 2022, the Company has repaid the debentures.

(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 had 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 was secured by primary and collateral securities including mortgages created in the favour of bank. The loan carried 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 was repayable after a moratorium period of 12 months and was repayable in 36 monthly instalments after moratorium. The Company has applied the term loan for the purpose for which it was obtained and the said loan was repaid by the Company during the year ended March 31, 2022.

(d) Loans from related party

The unsecured loan is from Bajaj Electricals Limited and carries an interest rate of 10.30% to 11% p.a. fixed (March 31, 2021 : MCLR + 1.75% and 10.30% p.a.)

(e) Sales tax deferral loan

The sales tax deferral loan was payable in 5 yearly instalments. During, the year ended March 31, 2022, the Company has repaid the said loan.

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Note 14(b) : Short term borrowings

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
From banks (secured) (refer note a)		
Cash credit	11,24,28,411	27,21,70,441
Working capital loan (secured) (refer note b)	-	74,89,91,136
Bill discounting (with recourse) (refer note c)	-	6,98,30,611
Loans from related party (unsecured) [refer note (d) and 29]	40,14,52,050	76,51,19,486
Current maturities of long term debt [refer note 14(a)]	2,80,00,000	1,83,26,72,668
Total short term borrowings	**54,18,80,461**	**3,68,87,84,342**

(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 9.05% to 10% (March 31, 2021 : 8.95% to 10%).

(b) Working capital loan

The borrowing was 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) with interest in range from 7.40% to 12.00%. With respect to the said loan, the Company has filed the required quarterly statements which are in agreement with the books of accounts. During the year ended March 31, 2022, the Company has repaid the said loan.

(c) Bill discounting (with recourse)

The discounting facility had availed from bank and financial institution with recourse. The discounting charges are in the range of 10% to 10.85%. During the year ended March 31, 2022, the Company has repaid the said facility.

(d) 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% (March 31, 2021 : MCLR + 1.75% to 11% fixed). Further, the Company classifies amounts payable to Bajaj Electricals Limited for more than 45 days under short term borrowings and carries an interest of

Note 14(c): Other financial liabilities (current)

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Interest accrued and due on borrowings	2,93,41,861	90,60,861
Employee related liabilities	1,33,26,293	1,17,86,817
Outstanding liabilities	1,25,13,605	1,95,26,529
Total other financial liabilities	**5,51,81,759**	**4,03,74,207**

Note 14(d) : Trade payables

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Total outstanding dues of micro enterprises and small enterprises (refer note 35)	4,19,19,960	9,96,70,814
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,21,54,958	19,01,28,679
Trade payables to related parties (refer note 29)	4,13,60,046	26,07,048
	12,35,15,004	**19,27,35,727**
Total trade payables	**16,54,34,964**	**29,24,06,541**

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. The Company classifies amounts payable to Bajaj Electricals Limited for more than 45 days under short term borrowings [refer note 14(b)] and carries an interest of 8.75% p.a.

Trade payables ageing schedule

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed trade payables					
- dues of micro enterprises and small enterprises	4,17,21,454	1,98,506	-	-	**4,19,19,960**
- dues of creditors other than micro enterprises and small enterprises	11,96,60,437	38,54,567	-	-	**12,35,15,004**
Total	**16,13,81,891**	**40,53,073**	**-**	**-**	**16,54,34,964**

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed trade payables					
- dues of micro enterprises and small enterprises	9,96,70,814	-	-	-	**9,96,70,814**
- dues of creditors other than micro enterprises and small enterprises	18,56,67,134	70,68,595	-	-	**19,27,35,729**
Total	**28,53,37,948**	**70,68,595**	**-**	**-**	**29,24,06,543**

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Notes to the management certified financial statements for the year ended March 31, 2022

Note 15: Provisions

Particulars	March 31, 2022 Rupees		March 31, 2021 Rupees	
	Long-term	Short-term	Long-term	Short-term
Employee benefit obligations				
Leave obligation	-	83,95,947	-	1,43,64,424
Gratuity (refer note 30)	1,51,73,165	7,06,498	2,15,26,116	6,92,716
Others				
Provision for warranty	-	95,50,556	-	1,45,55,635
Total provisions	**1,51,73,165**	**1,86,53,001**	**2,15,26,116**	**2,96,12,775**

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, 2022 Rupees	March 31, 2021 Rupees
Opening balance	1,45,55,635	1,53,47,240
- Provision created	1,63,14,935	1,57,93,759
- Provision utilized	(2,13,20,014)	(1,65,85,364)
Closing balance	**95,50,556**	**1,45,55,635**

Note 16: Other current liabilities

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Statutory dues		
- Employee related liabilities	16,44,873	18,50,649
- TDS payable	34,24,303	21,42,287
- Others	44,410	4,494
Security deposit	2,15,000	-
Total other current liabilities	**53,28,586**	**39,97,430**

Note 17: Revenue from operations

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Revenue from contracts with customers	1,82,61,07,567	1,74,55,12,991
Other operating revenue	9,31,67,575	6,45,06,806
Total	**1,91,92,75,142**	**1,81,00,19,797**

Note 17.1: Disaggregated revenue information

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

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
India	1,82,47,97,439	1,71,67,50,771
Outside India	13,10,128	2,87,62,220
Total revenue from contracts with customers	**1,82,61,07,567**	**1,74,55,12,991**

Timing of revenue recognition

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Goods transferred at a point in time	1,82,61,07,567	1,74,55,12,991
Total revenue from contracts with customers	**1,82,61,07,567**	**1,74,55,12,991**

Note 17.2: Contract balances

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Trade receivables	18,50,02,187	25,28,16,469
Total	**18,50,02,187**	**25,28,16,469**

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

Note 17.3: 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 18: Other income

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Interest income	19,87,387	40,82,751
Gain on sale of property, plant and equipment (net)	6,02,64,598	68,273
Foreign exchange gain (net)	23,39,370	40,03,418
Total	**6,45,91,355**	**81,54,442**

Gain on sale of property, plant and equipment

During the year ended March 31, 2022, the Company has sold land and building of Satpur unit with a carrying value of Rs. 29,124,865 resulting in a gain of Rs. 60,975,135.

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Notes to the management certified financial statements for the year ended March 31, 2022

Note 19(a): Cost of materials consumed

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Raw materials at the beginning of the year	26,59,43,094	24,41,47,781
Add:		
Purchases	1,37,79,33,473	1,35,25,32,710
Freight inward	1,52,34,845	1,26,72,249
Less:		
Provision for impairment loss	(6,74,047)	2,33,85,133
Raw materials at the end of the year	22,55,61,899	26,59,43,094
Total cost of raw material consumed	**1,43,42,23,560**	**1,32,00,24,513**

Note 19(b): Changes in inventories of work-in-progress and finished goods

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Opening balance		
Work-in-progress	3,95,27,370	4,64,71,265
Finished goods	2,04,74,945	2,36,32,180
Total opening balance	**6,00,02,315**	**7,01,03,445**
Closing balance		
Work-in-progress	2,30,63,723	3,95,27,370
Finished goods	4,59,23,062	2,04,74,945
Total closing balance	**6,89,86,785**	**6,00,02,315**
Changes in inventories	**(89,84,470)**	**1,01,01,130**

Note 20: Employee benefit expense

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Salaries, wages and bonus	9,55,25,001	8,98,51,163
Contribution to provident and other funds	1,10,62,805	1,07,98,638
Gratuity(refer note 30)	19,33,909	22,70,631
Leave compensation	14,59,370	9,54,636
Staff welfare expenses	8,96,142	13,82,009
Total employee benefit expense	**11,08,77,227**	**10,52,57,077**

Note 21: Depreciation and amortisation expense

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Depreciation of property, plant and equipment (refer note 3)	6,31,78,829	6,67,97,008
Depreciation of right-of-use assets (refer note 28)	1,69,29,891	3,38,80,845
Amortisation of intangible assets (refer note 5)	-	-
Total depreciation and amortisation	**8,01,08,720**	**10,06,77,853**

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Note 22: Other expenses

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Spares and stores	1,15,55,530	1,96,38,074
Sub-contracting expenses	5,19,08,133	7,38,34,802
Power and fuel expenses	3,49,11,972	3,73,16,838
Freight and forwarding charges	13,08,717	54,65,869
Security charges	36,67,569	47,63,555
Rent	16,93,864	15,71,180
Rates and taxes	84,53,925	15,40,405
Insurance	43,14,912	32,69,841
Repairs and maintenance		
Plant and machinery	1,08,19,114	98,86,727
Buildings	3,68,259	-
Others	1,53,780	2,75,963
Advertising and sales promotion	15,004	51,471
Warranty expense	1,63,14,935	1,57,93,759
Travelling and conveyance	83,63,378	75,31,261
Legal and professional fees	78,05,487	1,27,47,625
Office expenses	22,26,044	17,93,174
Payment to auditor (refer details below)	18,96,949	19,78,266
Provision for doubtful debts	20,37,336	-
Provision for inventory impairment	2,07,836	68,09,552
Reversal of Industrial Promotion Subsidy	88,55,147	-
Miscellaneous expenses	74,14,495	96,86,582
Total other expenses	**18,42,92,386**	**21,39,54,944**

Note 22a: Details of payments to auditors

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Payment to auditors		
As auditor:		
- Audit fee	14,00,000	19,00,000
In other capacity		
- Other audit related services	4,50,000	-
Reimbursement of expenses	46,949	78,266
Total payments to auditors	**18,96,949**	**19,78,266**

Note 23: Finance cost

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Interest on debts and borrowings	42,54,77,907	38,33,26,085
Interest on preference shares [refer note 14(a)]	8,31,71,520	7,60,12,517
Interest on lease liability (refer note 28)	1,76,21,742	1,21,86,533
Interest on others	64,82,189	1,24,64,008
Bank charges and commission	58,16,134	1,51,08,156
Total finance costs	**53,85,69,492**	**49,90,97,299**

Note 24: Exceptional items

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Impairment of inventories	71,11,303	84,30,431
Impairment of property, plant and equipment	3,59,91,347	5,41,01,033
Total exceptional items	**4,31,02,650**	**6,25,31,464**

Impairment of inventories and property, plant and equipment

For the year ended March 31, 2022:

During the year ended March 31, 2022, with respect to LED business, the Company has recorded impairment provision for inventories of Rs. 7,111,303 based on the net realisable value and property, plant and equipment of Rs. 35,991,347 due to lower future demand for LEDs resulting in recoverable value of these assets being lower than the carrying value.

For the year ended March 31, 2021:

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 during the year ended March 31, 2021 had recorded provision towards inventory impairment of Rs. 8,430,431 and impairment of property, plant and equipment of Rs. 44,799,514.

Further during the year the said financial year, the Company had 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.

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Note 25: Capital and other commitments

As at March 31, 2022 the Company has capital commitments of Rs. 1,995,500 (March 31, 2021 : Rs. 19,218,931).

Note 26: Earning per share

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

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Loss before exceptional items	(35,52,20,418)	(43,09,38,577)
Loss after exceptional items	(39,83,23,068)	(49,34,70,041)
Number of equity shares	5,75,00,000	1,25,00,000
Weighted average number of equity shares	5,25,68,493	1,25,00,000
Earning per share (nominal value of Rs. 10 per share)		
Before exceptional items - Basic and diluted	(6.76)	(34.48)
After exceptional items - Basic and diluted	(7.58)	(39.48)

Note 27: Pending litigations

Contingent liabilities

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Claims against the company not acknowledged as debts:		
Direct tax matters	-	37,92,948
Indirect tax matters	29,49,267	37,71,602
Obligations under EPCG Scheme	2,96,82,111	5,11,06,149
Total	**3,26,31,378**	**5,86,70,699**

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, 2021: Rs. 9,974,069) and interest accrued amounting to Rs. 19,708,042 (March 31, 2021: Rs. 18,211,932). 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, the holding 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 had unfulfilled export obligation of Rs. 11,409,280 and interest of Rs. 11,510,868. During the year ended March 31, 2022, the Company has fulfilled the entire export obligation and have received the discharge certificates from DGFT.

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Notes to the management certified financial statements for the year ended March 31, 2022

Note 28: Leases

As Lessee

The Company had 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. During the year ended March 31, 2022, the Company has foreclosed the lease for plant and machinery and have sold the leasehold land.

The Company also had certain leases of storage spaces 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. During the year ended March 31, 2022, the Company has terminated the agreement and vacated the said storage space as well as godown.

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

As at March 31, 2022

Particulars	Balance at April 1, 2021	Addition during the year	Deletion during the year	Depreciation for the year	Balance at March 31, 2022
Land	62,88,885	-	61,93,348	95,537	-
Plant and machinery	2,67,58,379	-	1,11,23,601	1,56,34,778	-
Plant and machinery - Prepaid Lease	11,99,576	-	-	11,99,576	-
Total	**3,42,46,840**	-	**1,73,16,949**	**1,69,29,891**	-

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**

b. Maturity analysis of lease liabilities

Maturity analysis - contractual undiscounted cash flows	March 31, 2022 Rupees	March 31, 2021 Rupees
Less than one year	-	8,03,89,824
One to five years	-	3,96,26,030
More than five years	-	-
Total undiscounted lease liabilities as at year end	-	**12,00,15,854**
Lease liabilities included in the statement of financial position	-	**10,30,26,718**
Non-current	-	2,24,31,758
Current	-	8,05,94,960

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, 2022 Rupees	March 31, 2021 Rupees
Interest on lease liabilities	1,76,21,742	1,21,86,533
Expenses relating to short-term leases	10,00,000	11,06,200
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	6,93,864	4,64,980
Depreciation expense of right of use assets	1,69,29,891	3,38,80,845
Amount recognised in profit and loss account	**3,62,45,497**	**4,76,38,558**

d. Amounts recognised in the statement of cash flows

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Lease liability as at beginning of the year	10,30,26,718	14,23,70,284
Add: Interest on lease liability charged to statement of profit and loss	1,76,21,742	1,21,86,533
Less: Closing liability as at the end of the year	-	10,30,26,718
Total cash outflow for leases	**12,06,48,460**	**5,15,30,099**

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Note 29: Related party disclosure

a. Party having 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
Starlite Electrodrives Private Limited

c. Key managerial personnel

Ravindra Bharati, Managing Director (upto April 30, 2021)
Sashikant Gavhane, Whole time director (from April 30, 2021 to June 21, 2021)
Praveen Singh, Whole time director (w.e.f. January 28, 2022)
Arvind Didwania, Chief Financial Officer (upto April 30, 2021)
Suhas Wagh, Chief Financial Officer (w.e.f. April 30, 2021)
Ravindra Uttekar, Company Secretary

d. Relatives of key managerial personnel
Poonam Didwania, Spouse of Chief Financial Officer (upto April 30, 2021)

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	Rent income
1	Bajaj Electrical Limited	March 31, 2022	1,71,41,64,459	34,06,62,078	-	3,12,55,00,000	1,01,56,67,432	29,68,53,660	-
		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	-
2	Solarcopyer Limited	March 31, 2022	-	-	-	-	-	-	-
		March 31, 2021	1,652	-	18,29,714	-	-	-	-
3	Starlite Electrodrives Private Limtied	March 31, 2022	45,96,992	-	-	-	-	-	12,90,000
		March 31, 2021	-	-	-	-	-	-	-

Outstanding Balances

Sr. no.	Name of parties	Period	Amount receivable from related party	Amount payable to related parties	Loan Payable	Interest Payable	Preference shares
1	Bajaj Electrical Limited	March 31, 2022	11,11,27,088	4,13,60,046	3,81,89,52,050	2,93,41,861	45,00,00,000
		March 31, 2021	21,46,17,055	22,48,323	1,70,91,19,486	1,31,08,421	45,00,00,000
2	Solarcopyer Limited	March 31, 2022	-	-	-	-	-
		March 31, 2021	-	3,58,725	-	-	-
3	Starlite Electrodrives Private Limtied	March 31, 2022	15,96,121	2,15,000	-	-	-
		March 31, 2021	-	-	-	-	-

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Sr. no.	Key managerial personnel	Period	Remuneration
1	Ravindra Bharati	March 31, 2022	2,94,090
		March 31, 2021	46,15,000
1	Sashikant Gavhane	March 31, 2022	40,64,120
		March 31, 2021	-
2	Praveen Singh	March 31, 2022	7,05,796
		March 31, 2021	-
6	Arvind Didwania	March 31, 2022	2,19,025
		March 31, 2021	19,80,836
3	Suhas Wagh	March 31, 2022	29,21,370
		March 31, 2021	-
4	Ravindra Uttekar	March 31, 2022	9,39,483
		March 31, 2021	9,43,299

Sr. no.	Relatives of key managerial personnel	Period	Expense
1	Poonam Didwania	March 31, 2022	8,333
		March 31, 2021	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 14(a) and 14(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 30: 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, 2022 Rupees	March 31, 2021 Rupees
Liability at the beginning of the year	2,22,18,832	1,78,71,442
Expenses recognised in the statement of profit and loss		
- Interest cost	15,09,812	12,14,398
- Current service cost	19,33,909	22,70,631
Recognised in other comprehensive income		
Re-measurement gains / (losses)		
i. Change in financial assumptions	(9,84,403)	-
ii. Experience variance	1,22,098	14,15,032
Benefits paid	(89,20,585)	(5,52,671)
Liability at the end of the year	**1,58,79,663**	**2,22,18,832**

The Company estimates Rs. 706,498 (March 31, 2021 : Rs. 692,716) to be paid within next one year.

b. Expenses recognised in the statement of profit and loss

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Net interest expense	15,09,812	12,14,398
Current service cost	19,33,909	22,70,631
Expense recognised in statement of profit and loss	**34,43,721**	**34,85,029**

c. Included in other comprehensive income

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Net actuarial gain / (loss) recognised	8,62,305	(14,15,032)
Actuarial gain or (loss) recognised in OCI	**8,62,305**	**(14,15,032)**

d. Actuarial assumptions

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Discount rate	7.25%	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, 2022 Rupees	March 31, 2021 Rupees
Change in liability for 1% decrease in discount rate	23,14,057	28,16,126
Change in liability for 1% increase in discount rate	(19,08,311)	(23,61,544)
Change in liability for 1% decrease in salary escalation rate	(19,28,744)	(23,77,879)
Change in liability for 1% increase in salary escalation rate	22,96,360	27,81,947
Change in liability for 1% decrease in attrition rate	(37,203)	68,432
Change in liability for 1% increase in attrition rate	30,694	(60,981)

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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Note 31: Fair value measurements

Fair value by category

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

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
A. Financial assets		
Measured at amortised cost		
Trade receivables	18,50,02,187	25,28,16,469
Cash and cash equivalents	53,06,203	76,21,465
Other financial assets (current)	4,12,74,749	5,94,70,694
Other financial assets (non-current)	11,65,65,777	10,43,80,869
B. Financial liabilities		
Measured at amortised cost		
Trade payables	16,54,34,964	29,24,06,541
Other financial liabilities	5,51,81,759	4,03,74,207
Lease Liability	-	10,30,26,718
Short term borrowings	54,18,80,461	3,68,87,84,342
Long term Borrowings	4,35,57,66,098	1,25,25,47,767

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.

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Note 32: 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, 2022 and March 31, 2021 is the carrying value of such trade and other receivables as shown in note 6(a) of the financials.

Reconciliation of impairment allowance on trade receivables

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
Opening allowance	-	1,95,59,563
Created during the year	20,37,337	-
Utilised during the year	-	(1,95,59,563)
Closing allowance	**20,37,337**	-

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, 2022 and March 31, 2021 is the carrying value of such cash and cash equivalents and deposits with banks as shown in note 6(b) of the financials.

(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, 2022	upto 1 year	More than 1 Year	Total
Borrowings	4,89,76,46,558	54,18,80,461	4,35,57,66,098	4,89,76,46,558
Trade payables	16,54,34,964	16,54,34,964	-	16,54,34,964
Lease liability *	-	-	-	-
Other financial liabilities	5,51,81,759	5,51,81,759	-	5,51,81,759
Total	**5,11,82,63,281**	**76,24,97,184**	**4,35,57,66,098**	**5,11,82,63,281**

Particulars	Carrying value as at March 31, 2021	upto 1 year	More than 1 Year	Total
Borrowings	4,94,13,32,109	3,68,87,84,342	1,25,25,47,767	4,94,13,32,109
Trade payables	29,24,06,541	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	4,03,74,207	4,03,74,207	-	4,03,74,207
Total	**5,37,71,39,575**	**4,10,19,54,916**	**1,29,21,73,797**	**5,39,41,28,713**

* contractual undiscounted cash flows

(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, 2022		March 31, 2021	
	USD	EUR	USD	EUR
Financial assets	-	-	53,318	90,582
Financial liabilities	2,08,000	-	15,085	46,250

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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

Financial assets

Currency	Change in Rate	Effect on profit before tax in INR	
		March 31, 2022 Rupees	March 31, 2021 Rupees
USD	+5%	-	1,95,956
USD	-5%	-	(1,95,956)
Euro	+5%	-	3,89,951
Euro	-5%	-	(3,89,951)

Financial liabilities

Currency	Change in Rate	Effect on profit before tax in INR	
		March 31, 2022 Rupees	March 31, 2021 Rupees
USD	+5%	(7,99,760)	(55,441)
USD	-5%	7,99,760	55,441
Euro	+5%	-	(1,99,104)
Euro	-5%	-	1,99,104

Note 33: 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, 2022 Rupees	March 31, 2021 Rupees
Borrowings [refer note 14(a) and (b)] (A)	4,89,76,46,558	4,94,13,32,109
Total equity (B)	(3,56,56,05,645)	(3,61,81,44,882)
Debt / equity ratio (A/B)	**(1.37)**	**(1.37)**

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. 3,818,952,050 (March 31, 2021 Rs. 1,709,119,486) 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 34: Going Concern

During the period ended March 31, 2022 the Company incurred a net loss of Rs. 398,323,070 (March 31, 2021 Rs. 493,470,042). As at March 31, 2021, the Company has accumulated losses of Rs. 4,140,605,647 (March 31, 2021 Rs. 3,743,144,884), negative net worth of Rs. 3,465,993,790 (March 31, 2021 Rs. 3,518,533,027) and negative working capital of Rs. 103,234,321 (March 31, 2021: Rs. 3,353,927,401). 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. Consequently, Bajaj Electricals has become the holding company and has obtained unilateral control over the Company. Also, the Company has sold the land and building at Satpur unit to one of the shareholders for a consideration of Rs. 90,100,000. Furthermore, the Board of Directors of Bajaj Electricals Limited have considered and approved Scheme of Merger by Absorption of the Company with Bajaj Electricals Limited with a view to combine the strengths and synergies of both businesses so as to benefit all stakeholders pursuant to provisions of section 230 to 232 and other applicable provisions of the Companies Act, 2013. Accordingly, these financial statements have been prepared on going concern basis.

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Notes to the management certified financial statements for the year ended March 31, 2022

Note 35: 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, 2022 Rupees	March 31, 2021 Rupees
Principal amount due to suppliers under MSMED Act as on March 31	4,19,19,960	9,96,70,814
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount,	10,56,398	5,88,065
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	17,94,974	12,06,909
Interest accrued and remaining unpaid at the end of the accounting year	28,51,372	17,94,974

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 36: 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, 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, 2022 Rupees	March 31, 2021 Rupees
Segment revenues		
India	1,82,47,97,439	1,71,67,50,771
Outside India	13,10,128	2,87,62,220
Total revenue per statement of profit or loss	**1,82,61,07,567**	**1,74,55,12,991**

b) Non-current assets:

Particulars	March 31, 2022 Rupees	March 31, 2021 Rupees
India	89,51,75,074	1,02,58,67,822
Outside India	-	-
Total	**89,51,75,074**	**1,02,58,67,822**

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. 1,714,164,458 revenue accounting for 89% of the total revenue. In the previous year, in the consumer products segment, 1 customer contributed to Rs. 1,518,371,875 revenue accounting for 87% of the total revenue

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Notes to the management certified financial statements for the year ended March 31, 2022

Note 37: Ratio analysis and its elements

Sr. no.	Particulars	Numerator	Denominator	Unit	March 31, 2022			March 31, 2021			% change	Reason for variance in case % change is greater than 25%
					Numerator	Denominator	Ratios	Numerator	Denominator	Ratios		
(a)	**Current ratio**	Current assets	Current liabilities	Times	67,55,90,325	78,64,78,770	*0.86*	78,18,42,858	4,13,57,70,255	*0.19*	354.39%	Increase due to repayment of borrowings during the year ended March 31, 2022.
(b)	**Debt-Equity ratio**	Total debt	Shareholder's equity (Equity share capital + Retained earnings)	Times	4,89,76,46,558	(3,56,56,05,645)	*-1.37*	4,94,13,32,109	(3,61,81,44,882)	*-1.37*	0.58%	
(c)	**Debt service coverage ratio**	Net profit after taxes (excluding exceptional items) + Depreciation and amortization expense + Impairment of inventories + Finance cost - Gain on sale of property, plant and equipment	Finance cost + Lease payments + Principal repayment of borrowings	Times	20,27,26,985	3,47,01,24,620	*0.06*	19,89,62,987	60,33,87,790	*0.33*	-82.28%	Reduced due to repayment of borrowings and foreclosure of lease during the year ended March 31, 2022.
(d)	**Return on equity ratio**	Net profit after tax (excluding exceptional items)	Average shareholder's equity	Times	(35,52,20,418)	(3,59,18,75,263)	*0.10*	(43,09,38,577)	(3,37,07,02,346)	*0.13*	-22.65%	
(e)	**Inventory turnover ratio**	Cost of goods sold	Average inventory	Times	1,42,52,39,091	33,89,51,077	*4.20*	1,33,01,25,643	34,90,10,726	*3.81*	10.33%	
(f)	**Trade receivables turnover ratio**	Revenue from operations (excluding other operating revenue)	Average trade receivables	Times	1,82,61,07,567	21,89,09,328	*8.34*	1,74,55,12,991	25,62,31,439	*6.81*	22.45%	
(g)	**Trade payables turnover ratio**	Net purchases	Average trade payables	Times	1,37,79,33,473	22,89,20,753	*6.02*	1,35,25,32,710	28,94,85,157	*4.67*	28.83%	Increase due to increase in payments to creditors
(h)	**Net capital turnover ratio**	Revenue from operations (excluding other operating revenue)	Working capital	Times	1,82,61,07,567	(11,08,88,444)	*-16.47*	1,74,55,12,991	(3,35,39,27,397)	*-0.52*	3064.25%	Increase due to repayment of borrowings during the year ended March 31, 2022.
(i)	**Net profit ratio**	Net profit (excluding exceptional items)	Revenue from operations (Excluding other operating revenue)	%	(35,52,20,418)	1,82,61,07,567	*-0.19*	(43,09,38,577)	1,74,55,12,991	*-0.25*	-21.21%	
(j)	**Return on capital employed**	Earnings before interest and taxes (excluding exceptional items)	Tangible net worth + Total debt + Deferred tax liability	Times	18,33,49,074	1,43,16,52,771	*0.13*	6,81,58,722	1,42,27,99,084	*0.05*	167.34%	Increase due to gain on sale of property, plant and equipment of Rs. 60,264,598 recorded on sale of Satpur land and building during the year ended March 31, 2022.

Note 38: Other statutory information

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(b) The Company does not have any transactions with companies struck off.

(c) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(d) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(e) The provisions of section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility are not applicable to the Company.

(f) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The Company have not advanced or loaned or invested funds to any other person or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(h) The Company have not received any fund from any person or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(i) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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Notes to the management certified financial statements for the year ended March 31, 2022

Note 39: Proposed merger

The Board of Directors of Bajaj Electricals Limited have considered and approved Scheme of Merger by Absorption of the Company with Bajaj Electricals Limited with a view to combine the strengths and synergies of both businesses so as to benefit all stakeholders pursuant to provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

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

Suhas Wagh	**Ravindra Uttekar**
Chief Financial Officer	Company Secretary
Place of signature : Nashik	Place of signature : Nashik
Date: May 14, 2022	Date: May 14, 2022