H No. 1140, Sector 15, Part 2,
Gurugram, Haryana. 122001
PH.: Off. 0124-4281140, 9810185345

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Lumax Energy Solutions Private Limited**

**Auditor's Report on the Standalone Ind AS Financial Statements**

### 1. Opinion

We have audited the accompanying Standalone Ind AS financial statements of **LUMAX ENERGY SOLUTIONS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its Loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### 2. Basis for Opinion

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

R. JAIN & SANJAY ASSOCIATES GURUGRAM HARYANA CHARTERED ACCOUNTANTS

H No. 1140, Sector 15, Part 2,
Gurugram, Haryana. 122001
PH.: Off. 0124-4281140, 9810185345

**3. Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Those matters were addressed in context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**4. Other Information**

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**5. Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that gives a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of



R. JAIN & SANJAY ASSOCIATES * GURUGRAM HARYANA * CHARTERED ACCOUNTANTS accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative to do so.

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

**6. Auditor's Responsibility**

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

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

- Identify and assess the risks of material miss-statement of the standalone financial statements, whether due to fraud or error, design and perform audit procedure responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management use of the going concern basis of accounting and based on the audit evidence obtain whether a material uncertainty exist related to events or condition that may cause significant doubt of the company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or if such disclosure are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.

R. JAIN & SANJAY ASSOCIATES
GURUGRAM HARYANA
CHARTERED ACCOUNTANTS

H No. 1140, Sector 15, Part 2,
Gurugram, Haryana. 122001
PH.: Off. 0124-4281140, 9810185345

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

We communicate with those charged with governance regarding among other matters the planned scope and timing of the audit and significant findings that we identify during our audit.

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

## 7. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of section 143(11) of the Act and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

A) As required by Section 143 (3) of the Act, we report, to the extent applicable that:

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

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

c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and the statement of change in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the aforesaid Ind AS financial statements.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

f) Since turnover of the company as per latest audited financial statement is less than Rs. Fifty Crores and the aggregate borrowings from Banks or Financial institutions or anybody corporate is less than Rs. Twenty-Five Crores during the year under report, reporting on the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is not required vide notification dated 13th June 2017 issued by Ministry of Corporate affairs, Government of India.

B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and as per provision of section 197(16) of the Companies Act, 2013, in our opinion and to the best of our information and according to the explanations given to us:-

i. The Company does not have any pending litigations which would impact its financial position in its Ind AS financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. According to the information and explanations given by the management, we report that there was no managerial remuneration paid during the year under report.

For R JAIN & SANJAY ASSOCIATES,
FIRM REGISTRATION NO.012377N
CHARTERED ACCOUNTANTS

R. JAIN & SANJAY ASSOCIATES CHARTERED ACCOUNTANTS GURUGRAM HARYANA

(CA R. K. JAIN)
PARTNER
MEMBERSHIP NO. 009981

UDIN No: 20009981AAAAEI19791
Place: Gurugram
Dated: 15.06.2020

H No. 1140, Sector 15, Part 2,
Gurugram, Haryana. 122001
PH.: Off. 0124-4281140, 9810185345

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

**Annexure A referred to in paragraph 7(I) under 'Report on other legal and regulatory requirements' of our report of even date to the members of the company on the Ind AS financial statements for the year ended 31st March, 2020**

**RE: LUMAX ENERGY SOLUTIONS PRIVATE LIMITED ('THE COMPANY')**

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

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

(c) The company did not own any immoveable property and therefore provisions of clause (i) (c) of the Companies (Auditor's Report) Order, 2016 with regard to title deeds of immoveable properties in favor of the company are not applicable to the Company.

(ii) The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification. There is no stock on reporting date i.e. 31.03.2020.

(iii) According to the information and explanations give to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of The Companies Act, 2013. Accordingly, the provisions of clauses (3)(iii)(a), (b) and (c) of the Order are not applicable to the Company.

(iv) As informed, the company has neither given any loans, guarantees and security nor has made any investments and therefore provisions of sections 185 and 186 of the Companies Act, 2013 are not applicable.

(v) The Company has not accepted any deposits from the public

(vi) The Central Govt. has not prescribed the maintenance of cost records U/s 148(1) of The Companies Act, 2013 for any of the products dealt by the company.

(vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, GST, cess and others material statutory dues applicable to it. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues outstanding of income-tax, GST and cess on account of any dispute, are Nil.

R. JAIN & SANJAY ASSOCIATES GURUGRAM HARYANA CHARTERED ACCOUNTANTS

H No. 1140, Sector 15, Part 2,
Gurugram, Haryana. 122001
PH.: Off. 0124-4281140, 9810185345

(viii) In our opinion and according to the information and explanations given by the management, the Company has neither taken any loan from any financial institution or bank or Govt. nor issued any debentures during the year.

(ix) The company has not raised any moneys by way of initial public offer or further public offer (including debts instruments) and term loans.

(x) The company has not paid any managerial remuneration during the year under report.

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

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connect with him as referred to in section 192 of the Companies Act, 2013.

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

For R JAIN & SANJAY ASSOCIATES,
FIRM REGISTRATION NO.012377N
CHARTERED ACCOUNTANTS

R. K. JAIN
(CA R. K. JAIN)
PARTNER
MEMBERSHIP NO. 009981

Place: Gurugram
Dated: 15.06.2020

Lumax Energy Solutions Private Limited
Balance Sheet as at March 31, 2020

*Amount in INR Lakhs, unless otherwise stated*

| | Notes | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **I. Non-current assets** | | | |
| Property, plant and equipment | 3 | - | 0.06 |
| Intangible assets | 4 | - | 3.53 |
| Deferred tax assets (net) | 5 | - | 2.22 |
| **Total non current assets** | **(A)** | **-** | **5.81** |
| **II. Current assets** | | | |
| Inventories | 6 | - | 142.89 |
| Financial assets | | | |
| - Trade receivables | 7 | - | 16.67 |
| - Cash and cash equivalents | 8 | 2.56 | 2.99 |
| Other current assets | 9 | - | 5.42 |
| **Total current assets** | **(B)** | **2.56** | **167.97** |
| **Total Assets** | **(A+B)** | **2.56** | **173.78** |
| **EQUITY AND LIABILITIES** | | | |
| **I. Equity** | | | |
| Equity share capital | 10 | 5.00 | 5.00 |
| Other equity | 11 | (2.44) | 14.74 |
| **Total equity** | **(A)** | **2.56** | **19.74** |
| **Liabilities** | | | |
| **II. Current liabilities** | | | |
| Financial liabilities | | | |
| - Trade payables | 12 | | |
| - total outstanding dues of micro and small enterprises | | - | - |
| - total outstanding dues of creditors other then micro and small enterprises | | - | 151.81 |
| - Other financial liabilities | 13 | - | 1.29 |
| Provisions | 14 | - | 0.52 |
| Other current liabilities | 15 | - | 0.42 |
| **Total Liabilities** | **(B)** | **-** | **154.04** |
| **Total equity and liabilities** | **(A+B)** | **2.56** | **173.78** |

The accompanying notes form an integral part of these financial statements

As per our report of even date

**For R Jain & Sanjay Associates**
Firm Registeration No.: 012377N
Chartered Accountants

**CA R. K. Jain**
Partner
Membership No. 009981
Place : Gurugram
Date : 15/06/2020

For and on behalf of the Board of Directors of
**Lumax Energy Solutions Private Limited**

**D. K. Jain**
Director
00085848

**Anmol Jain**
Director
00004993

Lumax Energy Solutions Private Limited
Statement of Profit and loss for the year ended March 31, 2020

*Amount in INR Lakhs, unless otherwise stated*

| | | Notes | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|---|---|
| I | Revenue from operations | 16 | 33.20 | 11.89 |
| II | Other income | 17 | 131.20 | 0.53 |
| III | **Total income** | | **164.40** | **12.42** |
| IV | **Expenses** | | | |
| | Purchases of traded goods | 18 | - | 11.01 |
| | (Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods | 19 | 142.89 | (0.27) |
| | Employee benefits expense | 20 | 2.20 | 9.64 |
| | Depreciation and amortization expense | 21 | 1.77 | 2.11 |
| | Other expenses | 22 | 32.50 | 11.44 |
| V | **Total expenses** | | **179.35** | **33.92** |
| VI | **Profit before exceptional items and tax (III-V)** | | **(14.95)** | **(21.50)** |
| | Exceptional Item | | - | - |
| VII | **Profit before tax** | | **(14.95)** | **(21.50)** |
| VIII | **Tax expense:** | | | |
| | Adjustment of tax relating to earlier years | 5 | - | 0.06 |
| | Deferred tax | 5 | 2.22 | (0.24) |
| | **Total tax expense** | | **2.22** | **(0.18)** |
| IX | **Profit for the year (VII-VIII)** | | **(17.18)** | **(21.32)** |
| X | **Other comprehensive income** | | | |
| | **Other comprehensive income not to be reclassified to statement of profit or loss in subsequent period** | | | |
| | Re-measurement gains/ (losses) on defined benefit plans | 23 | - | - |
| | Income tax effect | 23 | - | - |
| XI | **Other comprehensive income for the year, net of tax** | | - | - |
| XII | **Total comprehensive income of the year, net of tax** | | **(17.18)** | **(21.32)** |
| XV | **Earnings per share (In Rs.) :** | | | |
| | 1) Basic | 24 | (17.18) | (42.65) |
| | 2) Diluted | | (34.35) | (42.65) |

The accompanying notes form an integral part of these financial statements

As per our report of even date
**For R Jain & Sanjay Associates**
Firm Registeration No.: 012377N
Chartered Accountants

CA R. K. Jain
Partner
Membership No. 009981
Place : Gurugram
Date : 15/06/2020

For and on behalf of the Board of Directors of
**Lumax Energy Solutions Private Limited**

| | |
|---|---|
| **D. K. Jain** | **Anmol Jain** |
| Director | Director |
| 00085848 | 00004993 |

**Lumax Energy Solutions Private Limited**

**Statement of Changes in equity for the year ended March 31, 2020**

*Amount in INR Lakhs, unless otherwise stated*

| | Share capital (1) | Other Equity | | | | | | Total equity (1+2) |
|---|---|---|---|---|---|---|---|---|
| | | Retained earnings | Capital Reserve | Securities premium | General reserve | FVTOCI reserve | Total reserves and surplus (2) | |
| As at April 01, 2018 | 5.00 | 36.06 | - | - | - | - | 36.06 | 41.06 |
| Transfer to General reserve | | - | | | - | | - | - |
| Add: Profit for the year | | (21.32) | | | | | (21.32) | (21.32) |
| Add: Other comprehensive income | | - | | | | - | - | - |
| **Total comprehensive income** | - | **(21.32)** | - | - | - | - | **(21.32)** | **(21.32)** |
| Add: Transfers | | | | | | | - | - |
| **As at March 31, 2019** | **5.00** | **14.74** | - | - | - | - | **14.74** | **19.74** |
| Add: Profit for the year | | (17.18) | | | | | (17.18) | (17.18) |
| Add: Other comprehensive income | | - | | | | - | - | - |
| **Total comprehensive income** | - | **(17.18)** | - | - | - | - | **(17.18)** | **(17.18)** |
| Add: Transfers | | - | | | | | - | - |
| **As at March 31, 2020** | **5.00** | **(2.44)** | - | - | - | - | **(2.44)** | **2.56** |

The accompanying notes form an integral part of these financial statements

As per our report of even date
**For R Jain & Sanjay Associates**
Firm Registeration No.: 012377N
Chartered Accountants

**CA R. K. Jain**
Partner
Membership No.: 009981
Place : Gurugram
Date : 15/06/2020

For and on behalf of the Board of Directors of
**Lumax Energy Solutions Private Limited**

**D. K. Jain**
Director
00085848

**Anmol Jain**
Director
00004993

**Lumax Energy Solutions Private Limited**

**Cash flow statement for year ended March 31, 2020**

***Amount in INR Lakhs, unless otherwise stated***

| | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|---|---|---|
| **Cash Flow from Operating Activities** | | |
| **Profit before tax from continuing operations** | (14.95) | (21.50) |
| **Adjustment to reconcile profit before tax to net cash flows** | | |
| Depreciation of property, plant and equipment | 0.00 | 0.01 |
| Amortisation of intangible assets | 1.76 | 2.10 |
| Liabilities/ provisions no longer required, written back | (130.90) | - |
| Provision for doubtful debt | 17.47 | - |
| Outstanding Balance written off | 3.98 | - |
| **Operating profit before working capital changes** | **(122.64)** | **(19.39)** |
| **Movements in working capital :** | | |
| Decrease/(Increase) in trade receivables | (0.79) | 33.53 |
| Increase in other assets | 1.44 | (0.21) |
| Increase in inventories | 142.89 | (0.27) |
| (Decrease)/Increase in trade payable and other payable | (20.91) | (30.40) |
| Increase in current liabilities, provisions, financial liability | (2.24) | 0.68 |
| **Cash generated from operations** | (2.25) | (16.06) |
| **Direct taxes paid** | - | (0.06) |
| **Net cash generated from operating activities (A)** | **(2.25)** | **(16.12)** |
| **Cash flows from investing activities** | | |
| Proceeds from sale of property plant and equipment | | - |
| **Net cash used in investing activities (B)** | | - |
| **Cash flows from financing activities** | | |
| Issue of share capital | | - |
| **Net cash generating/(used in) from financing activities (C** | - | - |
| **Net Increase in cash and cash equivalents (A + B + C)** | (0.43) | (16.12) |
| Cash and cash equivalents at the beginning of the year | 2.99 | 19.11 |
| **Cash and cash equivalents at the end of the year** | **2.56** | **2.98** |

DKJ

AJ

**Components of cash and cash equivalents**

| | | |
|---|---|---|
| Cash on hand | - | 0.01 |
| Balance with banks | | |
| - On current accounts | 2.56 | 2.98 |
| **Total cash and cash equivalents** | **2.56** | **2.99** |

The accompanying notes form an integral part of these financial statements

As per our report of even date

**For R Jain & Sanjay Associates**

Firm Registeration No.: 012377N

Chartered Accountants

**CA R. K. Jain**

Partner

Membership No. 009981

Place : Gurugram

Date : 15/06/2020

For and on behalf of the Board of Directors of

**Lumax Energy Solutions Private Limited**

**D. K. Jain**

Director

00085848

**Anmol Jain**

Director

00004993

## 1. Corporate information

Lumax Energy Solutions Pvt. Ltd. was incorporated on October 01, 2003 under the name Lumax Auto Parts Trading Private Limited and subsequently on 04th January, 2016 the name of the company was changed to Lumax Energy Solutions Pvt. Ltd. The Company is engaged in the business of trading in lighting products including LED bulbs, Lights, Lamps etc.

## 2 Significant accounting policies

### 2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended)

The financial statements have been prepared on a historical cost basis, except for the financial assets and liabilities which have been measured at fair value or revalued amount.

The Financial Statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest lakhs, except wherever otherwise stated.

### 2.2 Summary of significant accounting policies

#### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet are based on current/ non-current classification.

***Assets***

An asset is treated as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) 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.

***Liabilities***

A liability is current when:
(a) It is expected to be settled in normal operating cycle
(b) It is held primarily for the purpose of trading
(c) It is due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
All other liabilities are classified as non-current.

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



R. JAIN & SANJAY ASSOCIATES * CHARTERED ACCOUNTANTS * GURUGRAM HARYANA

*Operating cycle*
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**b. Property, plant and equipment**

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation, if any.

Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment and capital work in progress as its deemed cost as at the date of transition.

*Subsequent costs*
The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

*Depreciation*
Depreciation is calculated on a straight-line basis over the estimated useful lives as prescribed in Schedule II to the Companies Act, 2013. The Company has used the following useful lives to provide depreciation on its Property, plant and equipment which is in line with schedule II:

| Assets | Useful Lives estimated by the management (in years) |
|---|---|
| Testing Equipment | 15 |

The residual value of property, plant and equipment is considered at 2%.

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



R. JAIN & SANJAY ASSOCIATES GURUGRAM HARYANA CHARTERED ACCOUNTANTS

**c. Intangible assets and Intangible assets under development**

***Recognition and measurement***

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

***Amortisation and useful lives***

Intangible assets with finite lives are amortised over the useful 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. Amortisation is calculated over the cost of the asset, or other amount substituted for cost.

| **Intangible Assets** | **Estimated Useful Life (Years)** |
|---|---|
| Computer Software | Over the estimated economic useful lives ranging from 3 to 4 years |

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 recognized in the statement of profit and loss when the asset is derecognized.

**d. Inventories**

Inventories which comprise traded goods are valued at the lower of cost and net realisable value.

The basis of determining costs for various categories of inventories is as follows:

- **Traded goods:** Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted moving average basis.

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

**e. Revenue from contract with customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

However, Goods and services tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.
The specific recognition criteria described below must also be met before revenue is recognised.

*(a) Sale of goods*

Revenue from sale of goods is recognized at the point in time when control of the inventory is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.
The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company allocated a portion of the transaction price to goods bases on its relative standalone prices and also considers the following:

**f. 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.

***Company as a 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-to-use assets representing the right to use the underlying assets.

**i. 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. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

R. JAIN & SANJAY ASSOCIATES * CHARTERED ACCOUNTANTS * GURUGRAM HARYANA

### ii. Short-term leases and leases of Low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### g. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity liability under the payment of Gratuity Act and provisions of Leave Encashment accrued are provided for an actual cost basis at the end of each financial year.

### h. Provisions (other than employee benefits)

**General**

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, 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. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

*(i) Warranties*

Provisions were not made in respect of warranty costs in the year of sale of goods as there have been no insignificant claims in earlier years.

*(ii) Contingencies*

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

R. Jain & Sanjay Associates Chartered Accountants Gurugram Haryana

**i. Financial instruments**

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

**Financial Liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

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 include trade and other payables, loans and borrowings etc.

**j. 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:

(a) In the principal market for the asset or liability, or
(b) 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.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

R. JAIN & SANJAY ASSOCIATES * CHARTERED ACCOUNTANTS * GURUGRAM HARYANA

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 assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**k. 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.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

***Deferred tax***

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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, except when the deferred tax asset relating to the deductible temporary difference arises 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

R. JAIN & SANJAY ASSOCIATES
GURUGRAM
HARYANA
CHARTERED ACCOUNTANTS

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.

**l. 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.

**m. Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

**n. Contingent liabilities**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**o. Segment reporting**

***Identification of segments***

The Company is engaged in trading of lighting products. Since the company's business activity falls within a single business segment, there are no disclosures to be provided.

## 2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's 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.

## 2.4 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### a) Property, plant and equipment

Refer note 2.2(b) for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in note 3.

### b) Intangible assets

Refer note 2.2(c) for the estimated useful life of intangible assets. The carrying value of intangible assets has been disclosed in note 4.

R. JAIN & SANJAY & ASSOCIATES
HARYANA
CHARTERED ACCOUNTANTS

***Amount in INR Lakhs, unless otherwise stated***

**3 Property, plant and equipment (net)**

**The details of property, plant and equipment (net) :**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Plant and Equipment's | - | 0.06 |
| **Total** | **-** | **0.06** |

***Amount in INR Lakhs, unless otherwise stated***

**3 Property, plant and equipment**

| | Plant and equipment's | Total |
|---|---|---|
| **Cost or valuation** | | |
| As at April 01, 2018 | 0.08 | 0.08 |
| Additions | - | - |
| Disposals | - | - |
| **As at March 31, 2019** | **0.08** | **0.08** |
| Additions | - | - |
| Disposals | (0.08) | (0.08) |
| **As at March 31, 2020** | - | - |
| **Depreciation and Impairments** | | |
| As at April 01, 2018 | 0.01 | 0.01 |
| Depreciation Charge for the year | 0.01 | 0.01 |
| Disposal | - | - |
| **As at March 31, 2019** | **0.02** | **0.02** |
| Depreciation Charge for the year | 0.00 | 0.00 |
| Disposal | (0.02) | (0.02) |
| **As at March 31, 2020** | - | - |
| **Net Block** | | |
| **As at March 31, 2020** | - | - |
| **As at March 31, 2019** | **0.06** | **0.06** |
| **As at April 01, 2018** | **0.07** | **0.07** |

R. JAIN & SANJAY ASSOCIATES * CHARTERED ACCOUNTANTS * GURUGRAM HARYANA

*Amount in INR Lakhs, unless otherwise stated*

## 4 Intangible assets

### a) Details of intangible assets:

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Intangible assets** | | |
| - Computer software | - | 3.53 |
| **Total** | - | **3.53** |

### b) Disclosures regarding gross block of intangible assets, accumulated amortisation and net block are as given below:

| | Computer Software | Total |
|---|---|---|
| **Cost** | | |
| At April 01, 2018 | 8.42 | 8.42 |
| Add: Additions | - | - |
| Less: Disposals | - | - |
| At March 31, 2019 | **8.42** | **8.42** |
| Add: Additions | - | - |
| Less: Disposals | (8.42) | (8.42) |
| **At March 31, 2020** | - | - |
| **Amortisation** | | |
| At April 01, 2018 | 2.79 | 2.79 |
| Add: Amortisation charge for the year | 2.10 | 2.10 |
| At March 31, 2019 | **4.89** | **4.89** |
| Add: Amortisation charge for the year | 1.76 | 1.76 |
| Less: Disposals | (6.65) | (6.65) |
| **At March 31, 2020** | - | - |
| **Net book value** | | |
| **At March 31, 2020** | - | - |
| At March 31, 2019 | 3.53 | 3.53 |
| At April 01, 2018 | 5.63 | 5.63 |



R. JAIN & SANJAY ASSOCIATES ★ GURUGRAM HARYANA ★ CHARTERED ACCOUNTANTS

*Amount in INR Lakhs, unless otherwise stated*

**5 Income tax**

(a) The major components of income tax expense for the years ended are:

**Statement of profit and loss:**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Current income tax:** | | |
| Adjustments in respect of current income tax of previous year | - | 0.06 |
| **Deferred tax :** | | |
| Relating to origination and reversal of temporary differences | 2.22 | (0.24) |
| **Income tax expense reported in the statement of profit or loss** | 2.22 | (0.18) |

(b) OCI section

***Deferred tax related to items recognised in Other Comprehensive Income during the year:***

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Net loss/ (gain) on remeasurements of defined benefit plans** | - | - |
| **Income tax charged to Other Comprehensive Income** | - | - |

(c) **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Accounting profit before income tax** | (14.95) | (21.50) |
| Tax at the Indian Tax Rate 26% | (3.89) | (5.59) |
| **Non-deductible expenses for tax purposes:** | | |
| Permanent difference | - | 0.13 |
| B/f Losses | 3.89 | 5.22 |
| Deffered Tax Reversed | 2.22 | |
| **Additional deduction** | | |
| Tax relating to earlier Year | - | 0.06 |
| **At the effective income tax rate 26%** | 2.22 | (0.18) |
| Income tax expense reported in the statement of profit and loss | 2.22 | (0.18) |

| Deferred tax: | Balance sheet | | Statement of profit and loss and OCI | |
|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| **Deferred tax assets relates to the following :** | | | | |
| Impact of expenditures charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis | - | 0.36 | (0.36) | (0.06) |
| Impact of allowance for doubtful debts | - | 2.24 | (2.24) | - |
| | - | 2.60 | (2.60) | (0.06) |
| **Deferred tax liability relates to the following :** | | | | |
| Accelerated depreciation for tax purposes | - | 0.38 | (0.38) | 0.18 |
| | - | 0.38 | (0.38) | 0.18 |
| **Deferred tax expense/(income) charged to OCI and Profit and loss** | | | (2.22) | (0.24) |
| **Total deferred tax liability (Net)** | - | (2.22) | | |

R. JAIN & SANJAY ASSOCIATES * CHARTERED ACCOUNTANTS * GURGAON HARYANA

*Amount in INR Lakhs, unless otherwise stated*

## 6 Inventories

### a) Details of inventories:

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Traded goods** | - | 142.89 |
| (includes goods in transit Rs. 0 lakhs ( As at March 31, 2019 Rs. 0 lakhs ) | | |
| ***Total inventories, at the lower of cost and net realisable value*** | - | **142.89** |

## 7 Trade receivables

### a) Details of trade receivables:

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Trade receivables | - | 14.17 |
| Receivables from other related parties | - | 2.50 |
| **Total Trade receivables** | - | **16.67** |

### b) Break-up for security details:

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Trade receivables** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | - | 16.67 |
| Doubtful | 26.09 | 8.63 |
| Provision for doubtful receivables | (26.09) | (8.63) |
| **Total** | - | **16.67** |

R. JAIN & SANJAY ... GURUGRAM HARYANA CHARTERED ACCOUNTANTS

## 8 Cash and cash equivalents

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balances with banks: | | |
| - On current accounts | 2.56 | 2.98 |
| Cash on hand | - | 0.01 |
| **Total** | **2.56** | **2.99** |

R. JAIN & SANJAY ASSOCIATES * CHARTERED ACCOUNTANTS * GURUGRAM HARYANA

*Amount in INR Lakhs, unless otherwise stated*

**9 Other assets**

**(Unsecured, considered good, unless otherwise stated)**

**The details of other assets:**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non- current** | | |
| Advances for property, plant and equipment | - | - |
| **Total (A)** | - | - |
| **Current** | | |
| Balance with statutory / government authorities | - | 4.11 |
| Advance to suppliers | - | 0.02 |
| Prepaid expenses | - | 1.20 |
| Others advances | - | 0.09 |
| **Total (B)** | - | **5.42** |
| **Total (A+B)** | - | **5.42** |
| **Current** | - | **5.42** |
| **Non -current** | - | - |

R. JAIN & SANJAY ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ GURUGRAM HARYANA

***Amount in INR Lakhs, unless otherwise stated***

**10 Share Capital**

**a) Details of share capital is as follows:**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Authorised share capital** | | |
| 0.5 lakhs ( As at March 31, 2019: 0.5 lakhs) equity shares of Rs. 10 each | 5.00 | 5.00 |
| | **5.00** | **5.00** |
| **Issued, subscribed and fully paid up capital** | | |
| 0.5 lakhs ( As at March 31, 2019: 0.5 lakhs) equity shares of Rs. 10 each | 5.00 | 5.00 |
| | **5.00** | **5.00** |

**b. Reconciliation of authorised share capital**

| | Equity Shares | |
|---|---|---|
| | No. of shares (in lacs) | Amount |
| As at April 01, 2018 | 0.50 | 5.00 |
| Issued during the year | - | - |
| As at March 31, 2019 | 0.50 | 5.00 |
| Issued during the year | - | - |
| **As at March 31, 2020** | **0.50** | **5.00** |

**c. Reconciliation of issued, subscribed and paid up share capital**

| | Equity Shares | |
|---|---|---|
| | No. of shares (In lacs) | Amount |
| **Equity shares of Rs. 10 each issued, subscribed and fully paid** | | |
| As at April 01, 2018 | 0.50 | 5.00 |
| Issued during the year | - | - |
| As at March 31, 2019 | 0.50 | 5.00 |
| Issued during the year | - | - |
| **As at March 31, 2020** | **0.50** | **5.00** |

R. JAIN & SANJAY ASSOCIATES GURUGRAM HARYANA CHARTERED ACCOUNTANTS

*Amount in INR Lakhs, unless otherwise stated*

**d) Terms/ rights attached to equity shares:**

The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting.

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

**e) Details of shareholders holding more than 5% shares in the company**

| Name of the shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. of shares (In lacs) | % holding in the equity shares | No. of shares (In lacs) | % holding in the equity shares |
| Equity shares of INR 10 each fully paid | | | | |
| Lumax Integrated Ventures Pvt Ltd. | 0.50 | 100% | 0.50 | 100% |

**11 Other equity**

Reconciliation of Other Equity

| | Retained earnings | Capital Reserve | Securities premium | General reserve | FVTOCI reserve | Total |
|---|---|---|---|---|---|---|
| **As at April 01, 2018** | 36.06 | - | - | - | - | **36.06** |
| Profit for the year | (21.32) | - | - | - | - | **(21.32)** |
| Other comprehensive income for the year (net of tax) | - | - | - | - | - | - |
| **As at March 31, 2019** | **14.74** | - | - | - | - | **14.74** |
| Profit for the year | (17.18) | - | - | - | - | **(17.18)** |
| Transfer to General Reserve | - | - | - | - | - | - |
| Other comprehensive income for the year (net of tax) | - | - | - | - | - | - |
| **Total comprehensive income** | **(17.18)** | - | - | - | - | **(17.18)** |
| Less : Dividend Paid | - | - | - | - | - | - |
| Less: Dividen Distribution Tax Paid | - | - | - | - | - | |
| **As at March 31, 2020** | **(2.44)** | - | - | - | - | **(2.44)** |

R. JAIN & SANJAY ASSOCIATES
GURUGRAM HARYANA
CHARTERED ACCOUNTANTS

*Amount in INR Lakhs, unless otherwise stated*

## 12 Trade payables

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **A. Trade payables** | | |
| - Trade payables | - | 11.88 |
| - Related parties | - | 139.02 |
| **B. Other payables** | | |
| - Other payables | - | 0.91 |
| **Total** | **-** | **151.81** |
| **Payables to Micro and Small Enterprises** | - | - |
| **Payables to Others than Mico and Small Enterprises** | - | 151.81 |

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Principal amount due to micro and small enterprises | - | - |
| Interest due on above | - | - |
| | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | - | - |

Trade payables are non-interest bearing and are normally settled on 30-90 days terms.

## 13 Other financial liabilities

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Other financial liabilities at amortised cost** | | |
| **Non-current** | | |
| Amount payable for property, plant and equipment | - | - |
| **Total (A)** | - | - |
| **Current** | | |
| Accrued salaries | - | 1.29 |
| **Total** | - | **1.29** |
| **Total current** | - | **1.29** |
| **Total non- current** | - | - |

R. JAIN & SANJAY ASSOCIATES
GURUGRAM HARYANA
CHARTERED ACCOUNTANTS

Amount in INR Lakhs, unless otherwise stated

14 **Provisions**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non Current** | | |
| **Provision for employee benefits** | | |
| Provision for gratuity | - | - |
| | - | - |
| **Current** | | |
| **Provision for employee benefits** | | |
| Provision for gratuity | - | 0.17 |
| Provision for leave encashment | - | 0.35 |
| **Total** | - | **0.52** |
| **Current** | - | **0.52** |
| **Non- Current** | - | - |

15 **Other liabilities**

**Details of other liabilities**

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non Current** | | |
| Lease Liabilities | - | - |
| | - | - |
| **Current** | | |
| Statutory dues | - | 0.42 |
| **Total** | - | **0.42** |
| **Current** | - | 0.42 |
| **Non-current** | - | - |

R. JAIN & SANJAY ASSOCIATES * GURUGRAM HARYANA * CHARTERED ACCOUNTANTS *

*Amount in INR Lakhs, unless otherwise stated*

## 16 Revenue from operations

The details of revenue from operations is as follows:

| | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| **Sale of products** | | |
| Traded goods | 33.17 | 11.89 |
| **Total sale of products (A)** | **33.17** | **11.89** |
| **Sale of services (B)** | 0.03 | - |
| **Revenue from operations (A+B)** | **33.20** | **11.89** |

## 17 Other income

| | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| **Other non-operating income** | | |
| Liabilities no longer required written back | 130.90 | 0.53 |
| Miscellaneous income | 0.30 | - |
| **Total** | **131.20** | **0.53** |

R. JAIN & SANJAY ASSOCIATES GURUGRAM HARYANA CHARTERED ACCOUNTANTS

*Amount in INR Lakhs, unless otherwise stated*

18 **Purchase of Traded Goods**

| | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Automotive Lamps/Components | - | 11.01 |
| **Purchase of Traded Goods** | **-** | **11.01** |

19 **(Increase)/Decrease in inventories of Traded goods**

| | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| **Opening stock** | | |
| -Traded Goods | 142.89 | 142.62 |
| **Total (A)** | **142.89** | **142.62** |
| **Closing stock** | | |
| -Traded Goods | - | 142.89 |
| **Total (B)** | **-** | **142.89** |
| **Changes in inventories of Traded Goods** | | |
| -Traded Goods | 142.89 | (0.27) |
| **(Increase)/Decrease in inventories of Traded Goods (A-B)** | **142.89** | **(0.27)** |

R. JAIN & SANJAY ASSOCIATES
GURUGRAM HARYANA
CHARTERED ACCOUNTANTS

*Amount in INR Lakhs, unless otherwise stated*

## 20 Employee benefits expense

| | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Salaries, wages and bonus | 2.01 | 8.85 |
| Contributions to provident and other funds | 0.09 | 0.45 |
| Compensated absences | 0.03 | 0.22 |
| Gratuity expense | 0.02 | (0.01) |
| Staff welfare expense | 0.03 | 0.12 |
| **Total** | **2.20** | **9.64** |

## 21 Depreciation and amortization expense

| | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Depreciation of tangible assets (note 3) | 0.00 | 0.01 |
| Amortization of intangible assets (note 4) | 1.76 | 2.10 |
| **Total** | **1.77** | **2.11** |

R. JAIN & SANJAY ASSOCIATES
GURUGRAM HARYANA
CHARTERED ACCOUNTANTS

*Amount in INR Lakhs, unless otherwise stated*

## 22 Other expenses

| | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Freight and forwarding charges | 0.78 | 0.92 |
| Travelling and conveyance | 0.32 | 0.32 |
| Rent | 1.38 | 3.42 |
| Legal and professional fees | 3.36 | 2.18 |
| **Repairs and maintenance** | | |
| - Plant and machinery | 1.30 | - |
| - Others | 1.01 | 3.08 |
| Communication cost | 0.01 | 0.02 |
| Bank Charges | 0.00 | 0.01 |
| Rates and taxes | 0.62 | 0.46 |
| Payment to auditors (refer detail below)* | 0.59 | 0.50 |
| Insurance | 0.21 | 0.40 |
| Loss on sales of Property plant , equipment's (net) | 1.09 | - |
| Provision for doubtful debts and advances | 17.47 | - |
| Outstanding balances written off | 3.98 | - |
| Miscellaneous expenses | 0.38 | 0.12 |
| **Total** | **32.50** | **11.44** |

**Payment to Auditor (excluding applicable taxes)**

| **Particulars** | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| **As Auditor:** | | |
| Audit Fee | 0.50 | 0.50 |
| **Total** | **0.50** | **0.50** |

R. JAIN & SANJAY ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ GURUGRAM HARYANA

## 23 Components of Other Comprehensive Income (OCI)

**The disaggregation of changes to OCI by each type of reserve in equity is shown below:**

| Particulars | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Re-measurement gains/ (losses) on defined benefit plans | - | - |
| Deferred tax thereon | - | - |
| Gain on FVTOCI equity securities | - | - |
| Deferred tax thereon | - | - |
| | - | - |

## 24 Earnings per share (EPS)

a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

b) Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

c) **The following reflects the income and share data used in the basic and diluted EPS computations:**

| | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| Profit attributable to the equity holders of the Company | (17.18) | (21.32) |
| Weighted average number of equity shares for basic and diluted EPS (in lacs) | 0.50 | 0.50 |
| Basic and diluted earnings per share (face value Rs. 10 per share) | (34.35) | (42.65) |

d) There has not been any transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

## 25 Related party disclosures

**Names of related parties and related party relationship**

| S. No. | Relationship | Name of Related Parties |
|---|---|---|
| 1 | Holding Company | Lumax Integrated Ventures Private Limited |
| 3 | Key Management Personnel | Mr.Dhanesh Kumar Jain (Chairman)<br>Mr.Anmol Jain (Managing Director) |
| 4 | Ultimate Holding Company | Lumax Auto Technologies Limited |
| 5 | Enterprises owned or significantly influenced by Key Management Personnel and / or their relatives | Lumax Industries Limited<br>Lumax Finance Private Limited<br>Lumax Ancillary Limited<br>Mahavir Udyog<br>D. K. Jain & Sons<br>Bharat Enterprises<br>Dhanesh Kumar Jain & Family Trust<br>Lumax Tours & Travels Limited<br>Vardhman Agencies Private Limited<br>Lumax Charitable Foundation<br>Lumax Management Services Private Limited |

*Amount in INR Lakhs, unless otherwise stated*

| Sr. No. | Account Head | Holding Company | | Subsidaries and Associates | | Enterprises owned or significantly influenced by Key Management Personnel and/ or their relatives | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| A) | **TRANSACTIONS** | | | | | | | | |
| i) | **Sale of Traded goods** | | | | | | | | |
| | Lumax Mannoh Allied Technologies Limited | - | - | - | - | - | 1.67 | - | 1.67 |
| | Lumax Industries Limited | - | - | - | - | 0.35 | 3.03 | 0.35 | 3.03 |
| | Lumax DK Auto Industries Limited | - | - | - | - | 0.28 | 1.91 | 0.28 | 1.91 |
| | Lumax Charitable Foundation | - | - | - | - | 7.66 | - | 7.66 | - |
| | Lumax Ancillary Limited | - | - | - | - | - | 0.29 | - | 0.29 |
| | Lumax Auto Technologies Limited | 35.07 | 1.83 | - | - | - | - | 35.07 | 1.83 |
| | **Total (i)** | 35.07 | 1.83 | - | - | 8.29 | 6.89 | 43.36 | 8.72 |
| ii) | **Sale of fixed assets** | | | | | | | | |
| | Lumax Auto Technologies Limited | 0.87 | - | | - | | - | 0.87 | - |
| | **Total (ii)** | 0.87 | - | | - | | - | 0.87 | - |
| iii) | **Purchases of Traded goods** | | | | | | | | |
| | Lumax Auto Technologies Limited | - | 4.26 | - | - | - | - | - | 4.26 |
| | **Total (iii)** | - | 4.26 | - | - | - | - | - | 4.26 |
| iv) | **Availling of services** | | | | | | | | |
| | Lumax Auto Technologies Limited | 0.68 | - | - | - | - | - | 0.68 | - |
| | Lumax Tours & Travels Ltd | - | - | - | - | 0.06 | - | 0.06 | - |
| | Lumax Management Services Private Limited | - | - | - | - | - | 2.53 | - | 2.53 |
| | **Total (iv)** | 0.68 | - | - | - | 0.06 | 2.53 | 0.74 | 2.53 |
| v) | **Lease rent (expense)** | | | | | | | | |
| | Lumax Industries Limited | - | - | - | - | 0.16 | 0.15 | 0.16 | 0.15 |
| | Lumax Auto Technologies Limited | 1.56 | 3.96 | - | - | - | - | 1.56 | 3.96 |
| | **Total (v)** | 1.56 | 3.96 | - | - | 0.16 | 0.15 | 1.71 | 4.12 |
| vi) | **Loan Received** | | | | | | | | |
| | Lumax Auto Technologies Limited | 15.50 | - | - | - | - | - | 15.50 | - |
| | **Total (vi)** | 15.50 | - | - | - | - | - | 15.50 | - |
| xii) | **Loan Paid Back** | | | | | | | | |
| | Lumax Auto Technologies Limited | 15.50 | - | - | - | - | - | 15.50 | - |
| | **Total (vii)** | 15.50 | - | - | - | - | - | 15.50 | - |
| B) | **Balances at the year end** | | | | | | | | |
| i) | **Payables** | | | | | | | | |
| | Lumax Auto Technologies Limited | - | 139.02 | - | - | - | - | - | 139.02 |
| | **Total (i)** | - | 139.02 | | - | - | - | - | 139.02 |
| ii) | **Receivables** | | | | | | | | |
| | Lumax Auto Technologies Limited | - | 0.45 | - | - | - | - | - | 0.45 |
| | Lumax Industries Limited | - | - | - | - | - | 0.22 | - | 0.22 |
| | Lumax Mannoh Allied Technologies Limited | - | - | - | - | - | 1.84 | - | 1.84 |
| | **Total (ii)** | - | 0.45 | - | - | - | 2.05 | - | 2.50 |

R. JAIN & SANJAY ASSOCIATES GURUGRAM CHARTERED ACCOUNTANTS

*Amount in INR Lakhs, unless otherwise stated*

## 26 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash, fixed deposits and security deposits 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 is supported by Finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The Finance department provides assurance to the Company's senior management 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. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### A. 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 equity price risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

#### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest bearing financial liabilities. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### ii) 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's exposure to the risk of changes in foreign exchange rates is NIL.

### B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.

#### i) Trade receivables

Customer credit risk is managed by each Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets (trade receivable). The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

### C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

| As at March 31, 2020 | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| Trade and other payables | - | - | - | - | - | - |
| Other financial liabilities | - | - | - | - | - | - |
| **Total** | - | - | - | - | - | - |

| As at March 31, 2019 | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| Trade and other payables | - | 151.81 | - | - | - | 151.81 |
| Other financial liabilities | - | 1.29 | - | - | - | 1.29 |
| **Total** | - | 153.10 | - | - | - | 153.10 |

## 27 Effect due to Corona Virus (Covid-19)

In the opinion of the management, there is no significant impact on Entity due to Covid-19. Hence, the impact in this regard has not been considered while preparing these financial statements.

The accompanying notes form an integral part of these financial statements

As per our report of even date
**R Jain & Sanjay Associates**
Chartered Accountants
Firm Registration No.: 012377N

CA R. K. Arya
Partner
Membership No. 099981
Place: Gurugram
Date: 15.06.2020

For and on behalf of the Board of Directors of
**Lumax Energy Solutions Private Limited**

**D. K. Jain**
Director
00085848

**Anmol Jain**
Director
00004993