S.R. BATLIBOI & CO. LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Lumax Cornaglia Auto Technologies Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lumax Cornaglia Auto Technologies Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in

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equity of the Company in accordance with the accounting principles generally accepted in India, including the [Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls with reference to financial statements;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35(b) to the financial statements;

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

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

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Vikas Mehra
Partner
Membership Number: 094421
UDIN: 21094421AAAACD4838
Place of Signature: New Delhi
Date: June 09, 2021

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory requirements" of our report. (Annexure 1)

Re: Lumax Cornaglia Auto Technologies Private Limited ('the Company')

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

(b) All fixed assets were physically verified by the management in the earlier years in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and audit procedures performed by us, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order 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 such physical verification.

(iii) According to the information and explanations given 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 clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us. there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of automobile components, and are of opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, duty of custom, goods and service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Custom Act, 1962	Custom classification	1.32 lakhs	Financial Year 2016-17	Commissioner of Custom

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

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(ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

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

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

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

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 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. The provisions of Section 177 of Companies Act, 2013 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and, not commented upon.

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

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of 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 S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per Vikas Mehra
Partner
Membership Number: 094421
UDIN: 21094421AAAACD4838
Place of Signature: New Delhi
Date: June 09, 2021

S.R. BATLIBOI & CO. LLP
NEW DELHI

Lumax Cornaglia Auto Technologies Private Limited
Balance Sheet as at March 31, 2021

Amount in INR Lakhs, unless otherwise stated

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
I. Non-current assets			
Property, plant and equipment	3 (a)	3,073.82	2,501.79
Capital work in progress	3 (b)	32.50	173.74
Intangible assets	4	14.09	22.45
Right-to-use asset	5	467.55	546.36
Income tax assets(net)	6	-	44.18
Financial assets			
- Loans	7	96.08	72.93
Other non- current assets	8	37.83	173.51
Total non current assets	(A)	3,721.87	3,534.96
II. Current assets			
Inventories	9	1,303.08	714.40
Financial assets			
- Loans	7	0.84	1.09
- Trade receivables	10	1,480.59	1,124.58
- Cash and cash equivalents	11	261.87	3.09
- Other bank balances	12	400.00	1,000.00
- Others financial assets	13	2.55	10.36
Other current assets	8	294.40	317.36
		3,743.33	3,170.88
Total current assets	(B)	3,743.33	3,170.88
Total Assets	(A+B)	7,465.20	6,705.84
EQUITY AND LIABILITIES			
I. Equity			
Equity share capital	14	683.76	683.76
Other equity	15	2,615.92	1,958.85
Total equity	(A)	3,299.68	2,642.61
Liabilities			
II. Non- current liabilities			
Financial liabilities			
-Borrowings	16	611.38	812.50
Other non-current liabilities	19	362.29	425.76
Deferred tax liabilities (net)	18	188.43	76.71
Total Non Current Liabilities	(B)	1,162.10	1,314.97
III. Current liabilities			
Financial liabilities			
- Borrowings	16	350.00	548.19
Trade payables	20		
- total outstanding dues of micro and small enterprises		77.47	-
- total outstanding dues of creditors other then micro and small enterprises		1,532.39	1,243.13
- Other financial liabilities	21	420.68	769.23
Employee Benefit Liabilities	17	32.87	24.60
Other current liabilities	19	562.40	163.11
Current tax liabilities (Net)	6	27.61	-
Total Current Liabilities	(C)	3,003.42	2,748.26
Total Liabilities		4,165.52	4,063.23
Total Equity and Liabilities	(A+B+C)	7,465.20	6,705.84

The accompanying notes form an integral part of these financial statements

As per our report of even date
S. R. Batliboi & Co.LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

Vikas Mehra
Partner
Membership No. 094421

Place : New Delhi
Date : June 9,2021

S.R. BATLIBOI & CO. LLP NEW DELHI

For and on behalf of the Board of Directors of
Lumax Cornaglia Auto Technologies Private Limited

D.K. Jain
Chairman
DIN: 00085848

Anmol Jain
Director
DIN: 00004993

Rishi Gupta
Company Secretary
Mem. No.- A34864

LUMAX CORNAGLIA AUTO TECHNOLOGIES PVT. LTD.

Lumax Cornaglia Auto Technologies Private Limited
Statement of Profit and loss for the year ended March 31, 2021

Amount in INR Lakhs, unless otherwise stated

		Notes	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
I	Revenue from contracts with customers	22	7,262.43	4,716.35
II	Other income	23	156.08	52.97
III	**Total income**		**7,418.51**	**4,769.32**
IV	**Expenses**			
	Cost of raw material and components consumed	24	4,108.88	2,431.68
	Cost of moulds consumed	25	332.70	487.28
	(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods	26	(63.66)	15.64
	Employee benefits expense	27	640.45	571.69
	Finance costs	28	166.64	153.94
	Depreciation and amortization expense	29	376.91	310.32
	Other expenses	30	1,028.60	827.17
V	**Total expenses**		**6,590.52**	**4,797.72**
VI	**Profit/(loss) before tax**		**827.99**	**(28.40)**
VII	**Tax expense:**			
	Current tax	18	59.66	-
	Adjustment of tax relating to earlier years	18	-	1.46
	Deferred tax	18	111.61	(69.60)
	Total tax expense		**171.27**	**(68.14)**
VIII	**Profit for the year (VI-VII)**		**656.72**	**39.74**
IX	**Other comprehensive income**			
	Other comprehensive income not to be reclassified to statement of profit or loss in subsequent period			
	Re-measurement gains on defined benefit plans	31	0.47	7.16
	Income tax effect	31	(0.12)	(1.86)
X	**Other comprehensive income for the year, net of tax**		**0.35**	**5.30**
XI	**Total comprehensive income of the year, net of tax**		**657.07**	**45.04**
XII	**Earnings per share (In Rs.) :**			
	1) Basic	32	9.60	0.59
	2) Diluted	32	9.60	0.59

The accompanying notes form an integral part of these financial statements

As per our report of even date
S. R. Batliboi & Co.LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

Vikas Mehra
Partner
Membership No. 094421

S.R. BATLIBOI & CO. LLP * NEW DELHI *

Place : New Delhi
Date : June 9,2021

For and on behalf of the Board of Directors of
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D.K. Jain
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Rishi Gupta

Rishi Gupta
Company Secretary
Mem. No.- A34864

LUMAX CORNAGLIA AUTO TECHNOLOGIES PVT. LTD. *

Lumax Cornaglia Auto Technologies Private Limited
Cash flow statement for year ended March 31, 2021

Amount in INR Lakhs, unless otherwise stated

	Year Ended March 31, 2021	Year Ended March 31, 2020
Cash Flow from Operating Activities		
Profit/(loss) before tax from continuing operations	827.99	(28.40)
Adjustment to reconcile profit/(loss) before tax to net cash flows		
Depreciation of property, plant and equipment	226.58	190.24
Amortisation of Right to use	141.97	110.98
Amortisation of Intangible Assets	8.36	9.10
Liabilities no longer required, written back	(92.95)	-
Outstanding Balance written off	0.63	-
Unrealised exchange (gain)/loss	(8.46)	1.23
Interest income	(41.24)	(46.76)
Interest expenses	166.64	153.94
Operating profit before working capital changes	**1,229.52**	**390.33**
Movements in working capital :		
(Increase) in trade receivables	(361.69)	(393.13)
(Increase) in financial assets	(22.90)	(10.87)
Decrease/(Increase) in other assets	171.76	(1,085.95)
(Increase) in inventories	(588.68)	(94.15)
Increase in trade payable and other payable	473.82	211.31
(Decrease)/Increase in current liabilities, provisions, financial liability	(7.86)	256.19
Cash generated from operations	893.97	(726.27)
Direct taxes paid	(1.62)	(10.35)
Net cash generated from/(used in) operating activities (A)	**892.35**	**(736.62)**
Cash flows from investing activities		
Purchase of fixed assets (including capital in progress and capital advances)	(720.54)	(485.97)
Proceeds from maturity of bank deposits	600.00	-
Interest received	49.05	36.72
Net cash (used in) investing activities (B)	**(71.49)**	**(449.25)**
Cash flows from financing activities		
(Repayment)/Proceeds from long term borrowings (net)	(138.62)	1,000.00
(Repayment) of short term borrowings (net)	(198.19)	(160.73)
Interest paid	(166.64)	(153.94)
Payment of lease liabilities	(58.63)	-
Issue of share capital	-	500.09
Net cash (used in)/generated from financing activities (C)	**(562.08)**	**1,185.42**
Net Increase in cash and cash equivalents (A + B + C)	258.78	(0.45)
Cash and cash equivalents at the beginning of the year	3.09	3.54
Cash and cash equivalents at the end of the year	**261.87**	**3.09**

Components of cash and cash equivalents

Cash on hand	0.12	0.12
Balance with banks		
- On current accounts	261.75	2.98
Total cash and cash equivalents (refer note 11)	**261.87**	**3.09**

The accompanying notes form an integral part of these financial statements

As per our report of even date
S. R. Batliboi & Co.LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

Vikas Mehra
Partner
Membership No. 094421

S.R. BATLIBOI & CO. LLP * NEW DELHI *

Place : New Delhi
Date : June 9,2021

For and on behalf of the Board of Directors of
Lumax Cornaglia Auto Technologies Private Limited

D.K. Jain
Chairman
DIN: 00085848

Anmol Jain
Director
DIN: 00004993

Rishi Gupta
Company Secretary
Mem. No.- A34864

LUMAX CORNAGLIA AUTO TECHNOLOGIES PVT. LTD. *

Lumax Cornaglia Auto Technologies Private Limited
Statement of Changes in equity for the year ended March 31, 2021

Amount in INR Lakhs, unless otherwise stated

	Share capital (1)	Other Equity			Total equity (1+2)
		Retained earnings	Securities premium	Total reserves and surplus (2)	
As at April 01, 2019	642.77	916.05	538.66	1,454.71	2,097.48
Add: Issue during the year	41.00	-	459.10	459.10	500.10
Add: Profit for the year	-	39.74	-	39.74	39.74
Add: Other comprehensive income	-	5.30	-	5.30	5.30
	41.00	**45.04**	**459.10**	**504.14**	**545.14**
As at March 31, 2020	**683.76**	**961.09**	**997.76**	**1,958.85**	**2,642.61**
Add: Profit for the year	-	656.72	-	656.72	656.72
Add: Other comprehensive income	-	0.35	-	0.35	0.35
	-	**657.07**	**-**	**657.07**	**657.07**
As at March 31, 2021	**683.76**	**1,618.16**	**997.76**	**2,615.92**	**3,299.68**

The accompanying notes form an integral part of these financial statements

As per our report of even date
S. R. Batliboi & Co.LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

Vikas Mehra
Partner
Membership No. 094421

Place : New Delhi
Date : June 9,2021

For and on behalf of the Board of Directors of
Lumax Cornaglia Auto Technologies Private Limited

D.K. Jain
Chairman
DIN: 00085848

Anmol Jain
Director
DIN: 00004993

Rishi Gupta
Company Secretary
Mem. No.- A34864

1. Corporate information

Lumax Cornaglia Auto Technologies Private Limited was incorporated on June 14, 2007 as a Joint Venture between Lumax Auto Technologies Limited and Cornaglia Metallurgical Products India Private Limited and is engaged in the business of manufacturing and supply of Air Intake Systems (AIS), Urea tank and plastic granules for automobiles.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 09, 2021.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements.

These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

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 from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

The financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities which have been measured at fair value or revalued amount (refer accounting policy regarding financial instruments).

The Financial Statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest lakhs (Rs. 00,000), 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 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 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 current when:

• It is expected to be settled in 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.

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LUMAX CORNAGLIA AUTO TECHNOLOGIES PVT. LTD.

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 identified twelve months as its operating cycle.

B. Foreign currencies

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the 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. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

C. Property, plant and equipment

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price (net of Input Tax Credit) and any directly attributable cost to bring assets to working condition. When significant parts of property, plant and equipment are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of plant, property and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

- 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

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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 statement of profit and loss when the asset is derecognised.

Depreciation on property, plant and equipment

Depreciation is calculated on a straight-line basis over the estimated useful lives as estimated by the management which is in line with the 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)**
Computers	3
Office equipment's	5
Furniture and fixtures	10
Vehicles	5

The management has estimated, supported by independent assessment by professionals, the useful life of the following class of asset, which are higher/different than that indicated in Schedule II.

Assets	**Useful Lives estimated by the management (in years)**
Plant and Machineries	9-21
Moulds	9-12

Leasehold land and leasehold improvement is amortised on a straight line basis over the period of lease term.

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.

D. Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Amortisation and useful lives

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and amortization method of the intangible asset with a useful finite 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 assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible

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assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

Intangible Assets	Estimated Useful Life (Years)
Computer Software	Over the estimated economic useful lives of 4 years
Technical Know-how	Over the period of Technical Assistance Agreement i.e. 8 years

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gain or loss 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.

E. Borrowing costs

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.
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.

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-of-use assets representing the right to use the underlying assets.

i. 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.
If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment. Refer to the accounting policies in section

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Impairment of non-financial assets.

Land & Building: 2-5 years
Solar Power Plant: 15 years

ii. 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.
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.

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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G. Inventories

Inventories which comprise raw material, work in progress, finished goods, traded goods and stores and spares are valued at the lower of cost and net realisable value.

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

- **Raw materials, components, stores and spares:** 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.

- **Work-in-progress and finished goods:** Cost includes direct material plus appropriate share of labour, manufacturing overheads based on normal operating capacity. Cost is determined on a weighted moving average basis.

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

  Stores and spares which do not meet the definition of Property, plant and equipment are accounted as inventories.

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.

Scraps are valued at net realisable value

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials and other supplies held for use in production of finished goods are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed its net realisable value. The comparison of cost and net realizable value is made on an item-by-item basis.

H. 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 units' (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses on non-financial asset, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.
After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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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 Group 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 or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

I. Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

However, Goods and services tax (GST), is not received by the Company 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.

J. Sale of goods

Revenue from sale of goods (including tools) 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:

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 recognized 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).

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.

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K. Interest Income

For all debt instruments measured at amortized cost or at fair value through other comprehensive income, interest income is recorded 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 instruments or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected estimated cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss. Interest income is included under the head "other income" in the statement of profit and loss.

Interest income on bank deposits and advances to vendors is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

L. Dividend Income

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

M. Rental Income

Rental income arising from operating leases are accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

N. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

O. Retirement and other employee benefits

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

The Company operates defined benefit plans for its employees, viz., gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

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Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purpose. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.
Re-measurements, 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 retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

a) The date of the plan amendment or curtailment, and
b) The date that the Company recognises related restructuring costs

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

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b) Net interest expense or income

P. Provisions

General

A provision is recognized when the company has a present obligation as a result of 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. 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.
Onerous contracts
If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.
An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Q. Taxes

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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 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.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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.

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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.

R. 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.

S. 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.

T. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond 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 its existence in the financial statements
Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

U. Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. Chief operating decision makers reviews the performance of the Company according to the nature of business of the company which includes manufacturing and selling of automobile components. Accordingly, the Company has only one primary segment.

Segment accounting policies
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

V. 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:

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(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.

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.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.
External valuers are involved for valuation of significant assets and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents, if any

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
• Quantitative disclosure of fair value measurement hierarchy
•Financial instruments (including those carried at amortised cost)

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W. 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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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 four categories:

- Financial assets at amortised cost (debt instruments)

a) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

b) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

c) Financial assets at fair value through profit or loss

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Financial assets at amortised cost (debt instruments)

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

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
(ii) 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 accretion of EIR is recorded as an income or expense in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

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.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

(i) The contractual rights to receive cash flows from the asset has expired, or

(ii) The Company has transferred its contractual rights to receive cash flows from the financial 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.

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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.

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.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

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. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

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Financial liabilities at Amortized cost

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of 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.

De-recognition

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 de-recognition 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 and loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the 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.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

X. 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:

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for 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.

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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., all cash shortfalls), discounted at the original effective interest rate.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of 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 historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as an expense in the statement of profit and loss.

2.3 New and amended standards

i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. 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 the 1 April 2019. This amendment had no impact on the standalone financial statements of the Company.

ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's standalone financial statements

2.4 Standards issued but not effective

There are no standards that are issued but not yet effective on March 31, 2021.

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Amount in INR Lakhs, unless otherwise stated

3. Property, plant and equipment and capital work in progress

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

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

	As at March 31, 2021	As at March 31, 2020
Lease Hold Improvement	58.88	17.84
Plant and Equipment's	2,898.06	2,398.51
Furniture and Fixtures	71.51	52.38
Office Equipment's	26.78	22.21
Vehicles	0.27	0.27
Computers	18.32	10.58
Total	**3,073.82**	**2,501.79**

3 (b) Capital work in progress

The details of capital work in progress:

	As at March 31, 2021	As at March 31, 2020
Capital work in progress	32.50	173.74
Total	**32.50**	**173.74**

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Amount in INR Lakhs, unless otherwise stated

3.1 Property, plant and equipment

	Lease Hold Improvement	Plant and equipment's	Furniture and fixtures	Office equipment's	Vehicles	Computers	Total
Cost or valuation							
As at April 01, 2019	39.93	2,792.11	86.62	35.40	14.05	22.66	2,990.77
Additions	3.42	285.27	-	0.33	-	11.85	300.86
Disposals	-	-	-	-	-	-	-
As at March 31, 2020	**43.35**	**3,077.37**	**86.62**	**35.73**	**14.05**	**34.51**	**3,291.63**
Additions	47.77	698.32	27.98	11.09	-	13.45	798.61
Disposals	-	-	-	-	-	-	-
As at March 31, 2021	**91.12**	**3,775.69**	**114.60**	**46.82**	**14.05**	**47.96**	**4,090.24**
Depreciation and Impairments							
As at April 01, 2019	20.39	515.02	25.68	7.47	11.29	19.75	599.60
Depreciation Charge for the year	5.12	163.84	8.56	6.05	2.49	4.18	190.24
Disposal	-	-	-	-	-	-	-
As at March 31, 2020	**25.51**	**678.86**	**34.24**	**13.52**	**13.78**	**23.93**	**789.84**
Depreciation Charge for the year	6.74	198.76	8.85	6.52	-	5.71	226.58
Disposal	-	-	-	-	-	-	-
As at March 31, 2021	**32.25**	**877.62**	**43.09**	**20.04**	**13.78**	**29.64**	**1,016.42**
Net Block							
As at March 31, 2021	**58.87**	**2,898.07**	**71.51**	**26.78**	**0.27**	**18.32**	**3,073.82**
As at March 31, 2020	**17.84**	**2,398.51**	**52.38**	**22.21**	**0.27**	**10.58**	**2,501.79**
As at April 01, 2019	**19.54**	**2,277.09**	**60.94**	**27.93**	**2.76**	**2.91**	**2,391.17**

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Amount in INR Lakhs, unless otherwise stated

4 Intangible assets

a) Details of intangible assets:

	As at March 31, 2021	As at March 31, 2020
Intangible assets		
- Computer software	14.09	22.45
Total	**14.09**	**22.45**

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

	Computer Software	Technical Know How	Total
Cost			
At April 01, 2019	36.98	46.30	83.28
Add: Additions	25.04	-	25.04
At March 31, 2020	**62.02**	**46.30**	**108.32**
Add: Additions	-	-	-
Less: Disposals	-	-	-
At March 31, 2021	**62.02**	**46.30**	**108.32**
Amortisation			
At April 01, 2019	30.47	46.30	76.77
Add: Amortisation charge for the year	9.10	-	9.10
At March 31, 2020	**39.57**	**46.30**	**85.87**
Add: Amortisation charge for the year	8.36	-	8.36
Less: Disposals	-	-	-
At March 31, 2021	**47.94**	**46.30**	**94.24**
Net book value			
At March 31, 2021	**14.09**	-	**14.09**
At March 31, 2020	22.45	-	22.45
At April 01, 2019	6.51	-	6.51

5 Right-to-use assets

(i) The Company's lease asset primarily consist of leases for land and buildings and Solar Power Plant of various lease terms. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

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

(ii) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Disclosures regarding gross block of right to use assets, accumulated amortisation and net block are as given below:

	Solar Power Plant	Land and Building	Right-to-use Assets
Cost			
At April 01, 2019	145.85	388.96	534.81
Add: Additions	-	122.53	122.53
At March 31, 2020	**145.85**	**511.49**	**657.34**
Add: Additions	-	63.16	63.16
At March 31, 2021	**145.85**	**574.65**	**720.50**
Amortisation			
Add: Amortisation charge for the year	9.72	101.26	110.98
At March 31, 2020	**9.72**	**101.26**	**110.98**
Add: Amortisation charge for the year	9.72	132.25	141.97
At March 31, 2021	**19.44**	**233.51**	**252.95**
Net book value			
At March 31, 2021	**126.41**	**341.14**	**467.55**
At March 31, 2020	136.13	410.23	546.36
At April 01, 2018	145.85	388.96	-

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(iii) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2021:

	Solar Power Plant	Land and Building	Total
Cost			
At April 01, 2019	145.85	388.96	534.81
Add: Additions	-	122.53	122.53
Add : Finance cost accrued during the year	-	27.04	27.04
Less: Payment of lease liabilities	(6.22)	(107.92)	(114.14)
At March 31, 2020	**139.63**	**430.61**	**570.24**
Add: Additions	-	63.16	63.16
Add : Finance cost accrued during the year	-	35.07	35.07
Less: Payment of lease liabilities	(6.66)	(150.21)	(156.87)
At March 31, 2021	**132.97**	**378.63**	**511.60**
Current	**7.10**	**142.21**	**149.31**
Non Current	**125.87**	**236.42**	**362.29**

(iv) The weighted average incremental borrowing rate applied to lease liabilities as at April 01, 2019 is 8.66% p.a.

(v) The following are the amounts recognised in profit or loss:

	As at March 31, 2021	As at March 31, 2020
Depreciation expense of right-of-use assets	141.97	110.98
Interest expense on lease liabilities	35.07	27.04
Expense relating to short-term leases (included in other expenses)	75.52	72.48
Total amount recognised in profit or loss	**252.56**	**210.50**

(vi) **Extension and termination options:** Extension and termination options are included in property lease agreements. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Extension and termination options held are excercisable only by the Company and not by the lessor. Extension options have not been included in the lease term as exercising this option is currently not reasonably certain.

(vii) **Variable lease payments :** Some property leases contain variable payment terms with payments that are based on actual expenses incurred by the lessor for operation and maintenance of the facility. These expenses could not be measured reliable as on the date of inception of the contract and hence have not been included in calculation of the lease liability. These expenses are charged to the statement of profit and loss as and when they are incurred.

(viii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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6 Current/Non Current Tax Assets/Liabilities - net

	As at March 31, 2021	As at March 31, 2020
Non Current tax asset	-	44.18
Current tax liablities	27.61	-
Current tax liabilities (net)	**27.61**	**-**
Non Current tax assets (net)	**-**	**44.18**

7 Loans

	As at March 31, 2021	As at March 31, 2020
(Unsecured and considered good unless otherwise stated)		
Non Current		
Security Deposit	96.08	72.93
	96.08	**72.93**
Current		
Loan to Employees	0.84	1.09
	0.84	**1.09**
Current	**0.84**	**1.09**
Non- current	**96.08**	**72.93**

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8 Other assets

(Unsecured, considered good, unless otherwise stated)

The details of other assets:

	As at March 31, 2021	As at March 31, 2020
Non-current		
Advances for property, plant and equipment	24.08	173.51
Income tax refund receivable	13.75	-
Total (A)	**37.83**	**173.51**
Current		
Balance with statutory / government authorities	12.14	30.27
Advance to suppliers	251.87	236.58
Prepaid expenses	30.39	6.01
Others advances	-	44.50
Total (B)	**294.40**	**317.36**
Total (A+B)	**332.23**	**490.87**
Current	**294.40**	**317.36**
Non-current	**37.83**	**173.51**

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9 Inventories

a) Details of inventories:

	As at March 31, 2021	As at March 31, 2020
Raw materials (at cost) (includes material in transit Rs. 70.16 lakhs (As at March 31, 2020 Rs. 37.15 lakhs)	533.92	253.18
Work-in-progress (at cost)	65.93	41.34
Finished goods (at lower of cost and net realisable value) (includes sales in transit Rs. 22.07 lakhs (As at March 31, 2020 Rs. 7.19 lakhs)	88.31	49.24
Moulds	563.57	334.24
Stores and spares	51.35	36.41
Total inventories, at the lower of cost and net realisable value	**1,303.08**	**714.40**

10 Trade receivables

a) Details of trade receivables:

	As at March 31, 2021	As at March 31, 2020
Trade receivables	1,399.54	1,052.87
Receivables from other related parties (Note 33)	81.05	71.71
Total Trade receivables	**1,480.59**	**1,124.58**

b) Break-up for security details:

	As at March 31, 2021	As at March 31, 2020
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,480.59	1,124.58
Trade receivable- Credit impaired	-	-
Total	**1,480.59**	**1,124.58**
Impairment Allowance for Trade Receivable-credit impaired	-	-
Total	**1,480.59**	**1,124.58**

a. No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

b. Trade receivables are non-interest bearing and are generally on terms of not more than 30-90 days.

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Amount in INR Lakhs, unless otherwise stated

11 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- On current accounts	261.75	2.98
Cash on hand	0.12	0.12
Total	**261.87**	**3.09**

Cash at banks earns interest at floating rates based on daily bank deposit rates

12 Other bank balances

	As at March 31, 2021	As at March 31, 2020
Other bank balances		
- Deposits with remaining maturity of more than 3 months but less than 12 months	400.00	1,000.00
Total	**400.00**	**1,000.00**

For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- On current accounts	261.75	2.98
Cash on hand	0.12	0.12
Total	**261.87**	**3.09**

Changes in liabilities arising from financing activities:

	As at April 01, 2020	Cash flows/Others	As at March 31, 2021
		Proceeds/(Repayment)	
Long term borrowings (including current maturities)	1,000.00	(138.62)	861.38
Short term borrowings	548.19	(198.19)	350.00
Lease liabilities	570.23	(58.63)	511.60
Total liabilities from financing activities	**2,118.42**	**(395.44)**	**1,722.98**

	As at April 01, 2019	Cash flows/Others	As at March 31, 2020
		Proceeds/(Repayment)	
Long term borrowings (including current maturities)	-	1,000.00	1,000.00
Short term borrowings	708.92	(160.73)	548.19
Lease liabilities	-	570.23	570.23
Total liabilities from financing activities	**708.92**	**1,409.50**	**2,118.42**

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13 Other financial assets

	As at March 31, 2021	As at March 31, 2020
Other financial assets		
Current		
Interest accrued but not due	2.55	10.36
Total	**2.55**	**10.36**
Current	**2.55**	**10.36**

Break up of financial assets carried at amortised cost:

	As at March 31, 2021	As at March 31, 2020
Trade receivables (Refer Note 10)	1,480.59	1,124.58
Cash and cash equivalents (Refer Note 11)	261.87	3.09
Other Bank Balance (Refer Note 12)	400.00	1,000.00
Loan (Refer Note 7)	96.92	74.02
Other financial assets (Refer Note 13)	2.55	10.36
Total	**2,241.93**	**2,212.05**

14 Share Capital

a) Details of share capital is as follows:

	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
75.00 lakhs (As at March 31, 2020 : 75.00 lakhs) equity shares of Rs. 10 each	750.00	750.00
	750.00	**750.00**
Issued, subscribed and fully paid up capital		
68.38 lakhs (As at March 31, 2020 : 68.38 lakhs) equity shares of Rs. 10 each	683.76	683.76
	683.76	**683.76**

b. Reconciliation of authorised share capital

	Equity Shares	
	No. of shares (in lakhs)	Amount
As at April 01, 2019	75.00	750.00
Increase/(Decrease) during the year	-	-
As at March 31, 2020	75.00	750.00
Increase/(Decrease) during the year	-	-
As at March 31, 2021	**75.00**	**750.00**

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

	Equity Shares	
	No. of shares (in lakhs)	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 01, 2019	64.28	642.77
Issued during the year	4.10	40.99
As at March 31, 2020	68.38	683.76
Issued during the year	-	-
As at March 31, 2021	**68.38**	**683.76**

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d) 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 is entitled to one vote per share.

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, 2021		As at March 31, 2020	
	No. of shares (in lakhs)	% holding in the equity shares	No. of shares (in lakhs)	% holding in the equity shares
Equity shares of 10 each fully paid				
Lumax Auto Technologies Limited (Holding Company)	34.19	50.00%	34.19	50.00%
Cornaglia Metallurgical Products India Private Limited	34.19	50.00%	34.19	50.00%

15 Other equity

Reconciliation of Other Equity

	Retained earnings	Securities premium	Total
As at April 01, 2019	916.05	538.66	**1,454.71**
Issue of share at premium	-	459.10	**459.10**
Profit for the year	39.74	-	**39.74**
Other comprehensive income for the year (net of tax)	5.30	-	**5.30**
As at March 31, 2020	**961.09**	**997.76**	**1,958.85**
Profit for the year	656.72	-	**656.72**
Other comprehensive income for the year (net of tax)	0.35	-	**0.35**
As at March 31, 2021	**1,618.16**	**997.76**	**2,615.92**

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Amount in INR Lakhs, unless otherwise stated

16 Borrowings

a) Details of long term borrowings:

	As at March 31, 2021	As at March 31, 2020
Term Loans		
Term Loan from banks (secured)*	861.38	1,000.00
Less: current maturity disclosed under other financial liabilities (refer note 21)		
- term loan	(250.00)	(187.50)
Total borrowings	**611.38**	**812.50**

* Term loan amounting to Rs. 861.38 Lakhs (March 31, 2020 Rs. 1000.00 Lakhs) from HDFC Bank repayable in 13 equal quarterly installment of Rs. 62.50 lakhs each, and secured by hypothecation on Plant & Machinery and carries interest @ 8.50%.

The company has not defaulted on any loans payable

b) Details of short term borrowings:

	As at March 31, 2021	As at March 31, 2020
Working capital loan repayable on demand*	350.00	350.00
On cash credit accounts	-	198.19
Total	350.00	548.19

* Working capital loan from financial institution is repayable in 90 to 180 days from respective drawdown and carries interest ranging between 8.50%-9.50% per annum.

Loan covenants
The Company has satisfied all debt covenants prescribed in the terms of bank loans. The other loans do not carry any debt covenant.

17 Employee Benefit Liabilities

	As at March 31, 2021	As at March 31, 2020
Current		
Provision for employee benefits		
Provision for gratuity (Refer Note 34)	21.66	11.86
Provision for leave encashment	11.21	12.73
Total	**32.87**	**24.60**
Current	**32.87**	**24.60**

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18 Income tax

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

Statement of profit and loss:

	As at March 31, 2021	As at March 31, 2020
Current income tax:		
Current income tax charge	59.66	-
Adjustments in respect of current income tax of previous year	-	1.46
Deferred tax :		
Relating to origination and reversal of temporary differences	111.61	(69.60)
Income tax expense reported in the statement of profit or loss	**171.27**	**(68.14)**

(b) OCI section

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

	As at March 31, 2021	As at March 31, 2020
Tax effect on gain on remeasurement of defined benefit plans	(0.12)	(1.86)
Income tax charged to Other Comprehensive Income	**(0.12)**	**(1.86)**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020

	As at March 31, 2021	As at March 31, 2020
Accounting profit before income tax	**827.99**	**(28.40)**
At India's statutory income tax rate of 25.168%(March 31, 2020: 25.168%)	208.39	-
Non-deductible expenses for tax purposes:		
Permanent difference	0.29	7.42
Others	(37.41)	16.16
Brought forward loss	-	(95.98)
Impact on Tax Rate	-	(4.62)
Impact of expenditures charged to statement of profit & loss in the current year but not allowed for tax purpose on payment basis	-	10.32
Tax of earlier year	-	(1.46)
At the effective income tax rate	**171.27**	**(68.16)**
Income tax expense reported in the statement of profit and loss	**171.27**	**(68.14)**

Deferred tax:	**Balance sheet**		**Statement of profit and loss and OCI**	
	As at March 31, 2021	**As at March 31, 2020**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
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	13.10	19.10	(6.00)	9.70
Impact of allowance for doubtful debts	12.57	12.57	-	(0.42)
Deffered Tax on Right to use (Net)	12.23	(6.01)	18.24	(6.01)
Brought Forward Losses	-	95.98	(95.98)	95.98
	37.90	**121.65**	**(83.75)**	**99.26**
Deferred tax liability relates to the following :				
Accelerated depreciation for tax purposes	226.33	198.36	27.97	31.51
	226.33	**198.36**	**27.97**	**31.51**
Deferred tax expense/(income) charged to OCI and Profit and loss			**111.72**	**(67.75)**
Total deferred tax liability (Net)	**188.43**	**76.71**		

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Amount in INR Lakhs, unless otherwise stated

19 Other liabilities

Details of other liabilities

	As at March 31, 2021	As at March 31, 2020
Non Current		
Lease Liabilities	362.29	425.76
Total	**362.29**	**425.76**
Current		
Statutory dues	87.62	18.64
Lease Liabilities	149.31	144.47
Advance from customers	203.83	-
Other liabilities (net)	121.64	-
Total	**562.40**	**163.11**
Current	**562.40**	**163.11**
Non-current	**362.29**	**425.76**

20 Trade payables

	As at March 31, 2021	As at March 31, 2020
A. Trade payables		
- Total outstanding dues of micro and small enterprises(refer note below for details of dues to micro and small enterprises)	77.47	-
- Total outstanding dues of creditors other than micro and small enterprises	1,297.91	952.25
	1,375.38	**952.25**
Trade payables	980.57	730.27
Trade Payables to related parties (refer Note 33)	394.81	221.98
	1,375.38	**952.25**
B. Other payables		
- Other payables	234.48	290.88
Total	**1,609.86**	**1,243.13**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 to 90 day terms
- Other payables are non-interest bearing and have an average term of 1 years

For explanations on the Company's credit risk management processes, refer to Note 39.

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Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at March 31, 2021	As at March 31, 2020
Principal amount due to micro and small enterprises	77.47	-
Interest due on above	-	-
	77.47	**-**
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.	0.65	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.65	-
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	-	-

21 Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Other financial liabilities at amortised cost		
Current		
Current maturity of long term loan (refer note 16)	250.00	187.50
Amount payable for property, plant and equipment	135.04	196.62
Accrued salaries	35.64	47.65
Unsecured deposits from customers	-	337.46
Total	**420.68**	**769.23**
Total current	**420.68**	**769.23**

Breakup of financial liabilities at amortised cost:

	As at March 31, 2021	As at March 31, 2020
Trade payables (Refer note 20)	1,609.86	1,243.13
Borrowings non current (Refer note 16)	611.38	812.50
Borrowings current (Refer note 16)	350.00	548.19
Current maturity of long term loan (Refer note 16)	250.00	187.50
Unsecured deposits from customers (Refet note 21)	-	337.46
Accrued salaries (Refer note 21)	35.64	47.65
Amount payable for property, plant and equipment (Refer note 21)	135.04	196.62
Total financial liabilities carried at amortised cost	**2,991.92**	**3,373.05**

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Amount in INR Lakhs, unless otherwise stated

22 Revenue from contracts with customers

The details of revenue from contracts with customers is as follows:

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Sale of products		
Finished goods(also refer note 40)	6,714.49	4,088.89
Total sale of products (A)	**6,714.49**	**4,088.89**
Sale of services (B)	**94.62**	**107.18**
Other operating revenue:		
Scrap sale	10.55	3.92
Mould and tool sale	442.77	516.36
Total other operating revenue (C)	**453.32**	**520.28**
Revenue from contracts with customers (A+B+C)	**7,262.43**	**4,716.35**

22.1 Contract Balances

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Trade Receivables	**1,480.59**	**1,124.58**

23 Other income

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Other non-operating income		
Interest income		
- On fixed deposits	38.95	45.58
- Others	2.29	1.18
Liabilities no longer required written back	92.95	-
Miscellaneous income	16.53	1.62
Net gain on foreign currency transaction and translation	2.09	-
Duty Drawback	3.27	4.59
Total	**156.08**	**52.97**

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Amount in INR Lakhs, unless otherwise stated

24 Cost of raw materials and components consumed

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Inventory at the beginning of the year	253.18	213.17
Add: Purchases	4,389.62	2,471.69
Less: Inventory at the end of the year	(533.92)	(253.18)
Cost of raw materials and components consumed	**4,108.88**	**2,431.68**

25 Cost of moulds consumed

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Inventory at the beginning of the year	334.24	253.71
Add: Purchases made during the year	562.03	567.82
Less: Inventory at the end of the year	(563.57)	(334.24)
Cost of moulds consumed	**332.70**	**487.28**

26 (Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Opening stock		
- Finished goods	49.24	47.06
- Work-in progress	41.34	59.17
Total (A)	**90.58**	**106.23**
Closing stock		
- Finished goods	88.31	49.24
- Work-in progress	65.93	41.34
Total (B)	**154.24**	**90.58**
Changes in inventories		
- Finished goods	(39.07)	(2.18)
- Work-in progress	(24.59)	17.83
(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods (A-B)	**(63.66)**	**15.64**

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Amount in INR Lakhs, unless otherwise stated

27 Employee benefits expense

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Salaries, wages and bonus	537.39	458.93
Contributions to provident and other funds	24.52	18.92
Compensated absences	-	1.19
Gratuity expense (Refer Note 34)	8.87	7.12
Staff welfare expense	69.67	85.53
Total	**640.45**	**571.69**

The Code on Social Security 2020 (Code), which received the Presidential Assent on 28 September 2020, subsumes nine laws relating to social security, retirement and employee benefits, including the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Payment of Gratuity Act, 1972. The effective date of the Code is yet to be notified and related rules are yet to be framed. The impact of the change, if any, will be assessed and recognized post notification of the relevant provisions.

28 Finance costs

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest on term loans	88.77	64.11
Interest on working capital	34.62	60.82
Interest paid to others	43.25	29.01
Total	**166.64**	**153.94**

29 Depreciation and amortization expense

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Depreciation of tangible assets (note 3)	226.58	190.24
Amortization of intangible assets (note 4)	8.36	9.10
Depreciation on right to use assets (note 5)	141.97	110.98
Total	**376.91**	**310.32**

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30 Other expenses

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Freight and forwarding charges	174.28	84.65
Job work charges	20.21	5.22
Power and fuel	160.63	100.79
Consumables	39.18	28.44
Travelling and conveyance	15.73	34.19
Packing material consumed	155.06	119.92
Rent	75.52	72.48
Legal and professional fees	45.33	26.88
Repairs and maintenance		
- Plant and machinery	95.77	115.56
- Building	40.52	-
- Others	10.46	15.39
Communication cost	6.10	6.89
Bank Charges	3.56	6.68
Design, support and testing charges	9.21	63.07
Rates and taxes	40.55	41.64
Payment to auditors (refer details below)*	4.00	3.50
Insurance	10.83	6.66
CSR expenditure (refer details below)**	4.17	6.58
Printing and stationery	2.54	2.27
Advertisement and sales promotion	0.21	0.67
Exchange difference (net)	-	19.00
Outstanding balances written off	0.63	-
Miscellaneous expenses	107.44	33.31
Warranty	6.67	33.38
Total	**1,028.60**	**827.17**

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

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
As Auditor:		
Audit Fee	3.50	3.50
In other Capicity:		
Certification fees	0.50	-
Total	**4.00**	**3.50**

****Details of CSR expenditure:**

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020	
(a) Gross amount required to be spent by the company during the year	-	-	
(b) Amount approved by the Board to be spent during the year	-	-	
(c) Amount spent during the year ending on March 31, 2021:	**In Cash**	**Yet to be paid in Cash**	**Total**
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above in cash	4.17	-	4.17
(d) Amount spent during the year ending on March 31, 2020:	**In Cash**	**Yet to be paid in Cash**	**Total**
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above in cash	6.58	-	6.58
(e) Details related to spent / unspent obligations:	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020	
i) Contribution to Public Trust	-	-	
ii) Contribution to Charitable Trust	4.17	6.58	
iii) Unspent amount in relation to:			
Ongoing project	-	-	
Other than ongoing project	-	-	

In case of Section 135(5) Excess amount spent

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
	-	4.17	(4.17)

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31 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, 2021	For the Year Ended March 31, 2020
Re-measurement gains on defined benefit plans	0.47	7.16
Deferred tax thereon	(0.12)	(1.86)
	0.35	**5.30**

32 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, 2021	For the Year Ended March 31, 2020
Profit attributable to the equity holders of the Company	656.72	39.74
Weighted average number of equity shares for basic and diluted EPS (in lakhs)	68.38	67.44
Basic and diluted earnings per share (face value Rs. 10 per share) {Rs.}	9.60	0.59

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 .

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33 Related party disclosures

Names of related parties and related party relationship

Relationship	Name of Related Parties
Joint Ventures	Lumax Auto Technologies Limited Officine Mettalurgiche G. Cornaglia SPA (Italy)
Enterprise with significance influence	Cor-Filters (Itlay) Lumax Industries Limited Lumax Tours & Travels Limited Lumax Management Services Private Limited Lumax Charitable Foundation Cornaglia Centro Ricerche

Related Party Transactions	March 31, 2021	March 31, 2020
(a) Officine Mettalurgiche G. Cornaglia SPA (Italy)		
(i) Purchase of Raw materials	306.03	90.68
(ii) Tool Designing	-	50.24
(iii) Consultancy/Technical know-how	4.92	-
(iv) Sales	-	4.90
(b)Cor-Filters (Itlay)		
(i) Sales	104.08	124.74
(c) Lumax Industries Limited		
(i) Rent paid	16.26	29.31
(ii) Expenses Reimbursement	-	0.70
(iii) Purchase of Capital Goods	0.69	-
(d) Lumax Tours & Travels Limited		
(i) Travelling Expenses	0.43	15.78
(e) Lumax Auto Technologies Limited		
(i) Sales of finished goods (inclusive of taxes)	6.65	8.79
(ii) Expenses reimbursement	18.19	19.53
(iii) Purchase of Capital Goods	72.56	-
(iv) Purchase of Raw materials	862.69	27.10
(f) Cornaglia Centro Ricerche		
(i) Rendering of Services	58.53	-
(g) Lumax Charitable Foundation		
(i) Contribution to CSR Activities	4.17	6.58
(h) Lumax Management Services Private Limited		
(i) Services availed	4.00	5.66

Balances at the year end

Particulars	March 31, 2021	March 31, 2020
Payables		
Lumax Industries Limited	0.08	4.85
Lumax Tours & Travels Limited	0.02	0.67
Lumax Management Services Private Limited	0.09	4.75
Officine Mettalurgiche G. Cornaglia SPA (Italy)	205.91	201.21
Lumax Auto Technologies Limited	188.70	10.50
	394.81	**221.98**
Receivables		
Cor Filters	70.21	62.71
Officine Mettalurgiche G. Cornaglia SPA (Italy)	4.90	4.90
Lumax Auto Technologies Limited	5.94	4.09
	81.05	**71.71**

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34 Gratuity and other post-employment benefit plans

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with an insurance company in the form of qualifying insurance policy.

a) During the year, the Company has recognized the following amounts in the statement of profit and loss :

Defined contribution plans

	As at March 31, 2021	As at March 31, 2020
Employer's contribution to providend fund	24.52	18.92
Employer's contribution to employee state insurance	2.83	2.33

b) Defined Benefit Obligation

The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	As at March 31, 2021	As at March 31, 2020
	Gratuity	Gratuity
Cost for the year included under employee benefit		
Current service cost	7.57	6.03
Interest cost	0.76	0.92
Transfer in /out	0.53	0.16
Net benefit expense	**8.87**	**7.12**

c) Amounts recognised in statement of other comprehensive income (OCI)

	As at March 31, 2021	As at March 31, 2020
	Gratuity	Gratuity
Amounts recognised in statement of other comprehensive income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	(22.00)	(14.86)
Remeasurement for the year - Obligation (Gain) / Loss	(0.44)	(7.16)
Remeasurement for the year - Plan Assets (Gain) / Loss	(0.03)	0.02
Total remeasurement Cost / (Credit) for the year recognised in OCI	(0.47)	(7.14)
Closing amount recognised in OCI outside statement of profit and loss	(22.47)	(22.00)

d) Mortality table

	As at March 31, 2021	As at March 31, 2020
	Gratuity	Gratuity
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Economic assumptions		
1 Discount rate	6.3%	6.2%
2 Rate of increase in compensation levels		
First Two Years	8.0%	Nil
Thereafter	8.0%	8.0%
3 Rate of return on plan assets	6.2%	7.7%
1 Expected average remaining working lives of employees (years)	10.54	10.73
2 Retirement Age (years)	58 Years	58 Years
1 unto 30 years	8.0%	8.0%
2 Ages from 31-40	8.0%	8.0%
3 Ages from 41-50	8.0%	8.0%
4 Above 50 years	8.0%	8.0%

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

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e) **Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.**

i. **Gratuity**

	As at March 31, 2021	As at March 31, 2020
Benefit obligation as at the beginning of the year	16.76	18.15
Transfer in/(out)	0.53	0.16
Current service cost	7.57	6.03
Interest cost	1.06	1.34
Benefit paid	-	(1.76)
Actuarial loss/(gain)	0.96	(7.16)
Gross Liability	**26.89**	**16.76**

f) **Table showing changes in the fair value of plan assets :**

	As at March 31, 2021	As at March 31, 2020
Opening fair value of plan assets	4.90	6.27
Benefits paid	-	(1.76)
Morality charges	(0.00)	(0.00)
Actuarial gain on plan assets	0.34	0.39
Closing fair Value of Plan asset	**5.23**	**4.90**

g) **Benefit (asset) / liability :**

	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	26.89	16.76
Fair value of plan assets	5.23	4.90
Net (assets) / liability	**21.66**	**11.86**

h) **Major category of plan assets (As a % of total plan assets)**

	As at March 31, 2021	As at March 31, 2020
Investment with the insurer	100%	100%

i) **A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 is as shown below:**

	As at March 31, 2021	As at March 31, 2020
	Gratuity	Gratuity
A. Discount rate		
Effect on DBO due to 1% increase in Discount Rate	24.35	15.14
Effect on DBO due to 1% decrease in Discount Rate	29.88	18.68
B. Salary escalation rate		
Effect on DBO due to 1% increase in Salary Escalation Rate	29.52	18.48
Effect on DBO due to 1% decrease in Salary Escalation Rate	24.59	15.27
C. Withdrawal rate		
Effect on DBO due to 1% increase in Withdrawal rate	26.56	16.57
Effect on DBO due to 1% decrease in Withdrawal rate	27.26	16.99

j) **The expected benefit payments in future years is as follows:**

	As at March 31, 2021	As at March 31, 2020
March 31, 2021	-	0.78
March 31, 2022	0.90	0.86
March 31, 2023	1.27	1.12
March 31, 2024	1.70	1.38
March 31, 2025	2.73	2.33
March 31, 2026	3.82	-
March 31, 2027 to March 31, 2031 (PY March 31, 2026 to March 31, 2030)	38.12	22.89

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35 Commitments and contingencies

a) Capital and other commitments

(1) Estimated amount of contracts remaining to be executed on capital account and not provided for:

Capital commitments are Rs. 180.35 Lakhs (As at March 31, 2020 Rs.135.66 lakhs) net of advances.

(2) Undrawn committed borrowing facility

The Company has availed fund based and non fund based working capital limits amounting to Rs. 1500.00 lakhs (March 31, 2020 : Rs. 1,500.00 lakhs) from banks under . An amount of Rs. 973.03 lakhs remain undrawn as at March 31, 2021 (March 31, 2020 : Rs. 951.81 lakhs). Further, the limit availed is secured by way of Pari-passu first charge of hypothecation on entire stocks consisting of raw material, work in progress, finished goods kept at Company's godown, factories and book debts along with receivables of the Company, both present and future.

b) Contingent liabilities

	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledged as debts		
During the year, the Company has received demand cum show cause Notice of Rs.1.32 lakh from the department for custom classification dispute for which reply has been filed to the department.	1.32	-

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Amount in INR lakhs, unless otherwise stated

36 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, all equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings including current maturities of long term borrowing (Refer Note 16)	861.38	1,000.00
Payable for purchase of fixed assets (Refer Note 21)	135.04	196.62
Net debts	**996.42**	**1,196.62**
Capital components		
Share capital	683.76	683.76
Other equity	2,615.92	1,958.85
Total equity	**3,299.68**	**2,642.61**
Capital and net debt	4,296.10	3,839.23
Gearing ratio (%)	**23.19%**	**31.17%**

37 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

a) Fair value of financial assets:

Particulars	Carrying values		Fair values	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial Instruments where carrying amounts that are reasonable approximations of fair values:				
Trade receivables	1,480.59	1,124.58	1,480.59	1,124.58
Cash and cash equivalents	261.87	3.09	261.87	3.09
Other Bank balances	400.00	1,000.00	400.00	1,000.00
Loans	96.92	74.02	96.92	74.02
Interest accrued but not due	2.55	10.36	2.55	10.36
Total	**2,241.93**	**2,212.05**	**2,241.93**	**2,212.05**

b) Fair value of financial liabilities:

Particulars	Carrying values		Fair values	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial liabilities measured at amortised cost				
Long term borrowing inclusing current maturity	861.38	1,000.00	861.38	1,000.00
Borrowings current	350.00	548.19	350.00	548.19
Trade payables	1,609.86	1,243.13	1,609.86	1,243.13
Accrued Salaries	35.64	47.65	35.64	47.65
Unsecured deposits from customers	-	337.46	-	337.46
Amount payable for property, plant and equipment	135.04	196.62	135.04	196.62
Total	**2,991.92**	**3,373.05**	**2,991.92**	**3,373.05**

Management has assessed that remaining financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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38 Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

(a) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:

	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value				
Others				
Trade receivables	1,480.59	-	-	1,480.59
Cash and cash equivalents	261.87	-	-	261.87
Other Bank balances	400.00	-	-	400.00
Loans	96.92	-	-	96.92
Interest accrued but not due	2.55	-	-	2.55
Total	**2,241.93**	-	-	**2,241.93**

(b) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2021:

	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value				
Long term borrowing inclusing current maturity	861.38	-	-	861.38
Borrowings - current	350.00	-	-	350.00
Trade payables	1,609.86	-	-	1,609.86
Amount payable for property, plant and equipment	135.04	-	-	135.04
Accrued salaries	35.64	-	-	35.64
Lease Liabilities (right-to-use)	511.60	-	-	511.60
Total	**3,503.52**	-	-	**3,503.52**

(c) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value				
Others				
Trade receivables	1,124.58	-	-	1,124.58
Cash and cash equivalents	3.09	-	-	3.09
Other bank balance	1,000.00	-	-	1,000.00
Loans to employees	74.02	-	-	74.02
Interest accrued but not due	10.36	-	-	10.36
Total	**2,212.05**	-	-	**2,212.05**

(d) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020:

	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value				
Long term borrowing inclusing current maturity	1,000.00	-	-	1,000.00
Borrowings - current	548.19	-	-	548.19
Trade payables	1,243.13	-	-	1,243.13
Amount payable for property, plant and equipment	196.62	-	-	196.62
Accrued salaries	47.65	-	-	47.65
Unsecured deposits from customers	337.46	-	-	337.46
Lease Liabilities (right-to-use)	570.23	-	-	570.23
Total	**3,943.28**	-	-	**3,943.28**

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39 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables, borrowings, security deposits and payables for property, plant and equipment. 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. Financial instrument effected by market risk include loans and borrowings, deposits, FVTOCI instrument.

The sensitivity analyses in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2021.

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 of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2021 and 31 March 2020 including the effect of hedge accounting.
The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign subsidiary at 31 March 2021 for the effects of the assumed changes of the underlying risk.

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's interest bearing financial liabilities includes borrowings with fixed interest rates.

The Company's fixed rate borrowings are carried at amortised cost. 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 relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company transacts business in local currency as well as in foreign currency. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

Exposure gain/(loss)	**As at March 31, 2021**		**As at March 31, 2020**	
	Change +1%	**Change -1%**	**Change +1%**	**Change -1%**
Trade Payable	(2.12)	2.12	(1.20)	1.20
Trade Receivable	0.81	(0.81)	0.80	(0.80)

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iii) Equity Price Risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Companies Board of Directors reviews and approves all equity investment decisions.

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 and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by 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.

Further, the Company's customer base majorly includes Original Equipment Manufacturers (OEMs), Large Corporates and Tier-1 vendors of OEMs. Based on the past trend of recoverability of outstanding trade receivables, the Company has not incurred material losses on account of bad debts. Hence, no adjustment has been made on account of Expected Credit Loss (ECL) model.

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, 2021	On Demand	Less than 1 Year	1 to 5 years	> 5 years	Total
Borrowings	350.00	-	611.38	-	**961.38**
Trade and other payables	-	1,609.86	-	-	**1,609.86**
Other financial liabilities	-	420.68	-	-	**420.68**
Total	**350.00**	**2,030.54**	**611.38**	**-**	**2,991.92**

As at March 31, 2020	On demand	Less than 1 Year	1 to 5 years	> 5 years	Total
Borrowings	548.19	-	812.50	-	**1,360.69**
Trade and other payables	-	1,243.13	-	-	**1,243.13**
Other financial liabilities	-	769.23	-	-	**769.23**
Total	**548**	**2,012.36**	**812.50**	**-**	**3,373.05**

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40 Revenue is measured by the Company at the fair value of consideration received/ receivable from its customers and in determining the transaction price for the sale of products, the Company considers the effects of variable consideration such as price adjustment to be passed on to the customers based on various parameters like negotiation based on savings on material and other factors. Accordingly, revenue for the current year is net of price differences.

41 Segment Information

The Company had identified its primary business segment as manufacturing of "Automobile components".

All activities of the Company revolve around the above segment. The entire operations are governed by the same set of risks and returns. Hence it is considered as single primary business segment.

Geographical segments:

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and presence in international markets is not significant. Its business is accordingly aligned geographically, catering primarily to India.

42 World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in all the units of the Company in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. during the lock-down period which has been extended till May 17, 2020, However, production and supply of goods has commenced during the year ended March 31, 2021 on various dates at all the manufacturing locations of the Company. Accordingly, sales and profits for the quarter and Year ended March 31, 2020 has been impacted and therefore, the results of this year ended are not comparable to previous corresponding year results. Second wave of COVID-19 has also impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel closure / lock down of production facilities etc.

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

43 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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting dale, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next linancia] 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.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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 parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 34.

The accompanying notes form an integral part of these financial statements

As per our report of even date
S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E / E300005

Vikas Mehra
Partner
Membership No. 094421

S.R. BATLIBOI & CO. LLP * NEW DELHI *

Place : New Delhi
Date : June 9,2021

For and on behalf of the Board of Directors of
Lumax Cornaglia Auto Technologies Private Limited

D.K. Jain
Chairman
DIN: 00085848

LUMAX CORNAGLIA AUTO TECHNOLOGIES PVT. LTD. *

Anmol Jain
Director
DIN: 00004993

Rishi Gupta
Company Secretary
Mem. No.- A34864