

INDEPENDENT AUDITOR'S REPORT

To the Members of Lumax Yokowo Technologies Private Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Lumax Yokowo Technologies Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, 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, 2022, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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



equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards () 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.

We communicate with Board of Directors 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) 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 the 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, 2022;



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

- i) The Company does not have any pending litigations which would impact its financial position
- 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.
- iv)
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, , no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v) No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Amit Yadav**

Partner

Membership Number: 501753



UDIN: 22501753AIUZAX1991

Place of Signature: Gurugram

Date: May 11, 2022

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

Re: Lumax Yokowo Technologies Private Limited (‘the Company’)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i) a) A) The Company has not capitalized any Property, Plant and Equipment in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(A) of the Order is not applicable to the Company.
B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- b) The Company has not capitalized any Property, Plant and Equipment in the books of the Company and accordingly, the requirement to report on clause 3(i)(b) of the Order is not applicable to the Company.
- c) There is no immovable property held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- d) The Company has not capitalized any Property, Plant and Equipment in the books of the Company and accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company.
- e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) a) The management has conducted physical verification of inventories at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- iii) a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.



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- c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company
- d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.
- vii)a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b) There are no dues of goods and services tax, provident fund, income tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.
- viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix) a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company



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- d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- x) a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. The amount raised, have been used for the purposes for which the funds were raised except for idle/surplus funds amounting to Rs 300 lakhs which were not required for immediate utilization and which have been gainfully invested in liquid investments. The maximum amount of idle/surplus funds invested during the year was Rs 390 lakhs, of which Rs 300 lakhs was outstanding at the end of the year.
- xi) a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT -4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to clause 3(xii) (c) of the Order is not applicable to the Company.
- xiii) Transactions with the related parties are in compliance with sections 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 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) of the Order is not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi)a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi) (b) of the Order is not applicable to the Company.



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- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii) The Company has incurred cash losses amounting to Rs. 19.39 lakhs and amounting to Rs. 6.38 lakhs in the current and immediately preceding financial year respectively.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix) On the basis of the financial ratios disclosed in note to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx)a) The provisions of Section 135 of Companies Act, 2013 are not applicable to the Company and accordingly requirement to report on Clause 3(xx)(a) of the Order is not applicable to the Company.
- b) The provisions of Section 135 of Companies Act, 2013 are not applicable to the Company and accordingly requirement to report on Clause 3(xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Amit Yadav**

Partner

Membership Number:501753

UDIN: 22501753AIUZAX1991

Place of Signature: New Delhi

Date: May 11, 2022

Lumax Yokowo Technologies Private Limited
Balance Sheet as at March 31, 2022

All amounts are presented in INR Lakhs, unless otherwise stated

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
I Non-current assets			
Capital work in progress	3	188.39	-
Income tax assets(net)	4	0.26	-
Financial assets			
- Other financial assets	5	7.88	-
Other non- current assets	6	25.82	-
Total non current assets	(A)	222.35	-
II Current assets			
Inventories	7	2.10	-
Financial assets			
- Trade receivables	8	0.51	-
- Cash and cash equivalents	9	305.78	16.26
- Other financial assets	5	0.66	-
Other current assets	6	45.44	0.43
Total current assets	(B)	354.49	16.69
Total Assets	(A+B)	576.84	16.69
EQUITY AND LIABILITIES			
I Equity			
Equity share capital	10	450.00	21.00
Other equity	11	(25.77)	(6.38)
Total equity	(A)	424.23	14.62
Liabilities			
II Current liabilities			
Financial liabilities			
- Trade payables	13	-	-
- total outstanding dues of micro and small enterprises		-	-
- total outstanding dues of creditors other than micro and small enterprises		2.62	2.07
- Other financial liabilities	14	112.36	-
Other current liabilities	12	37.63	-
Total Current Liabilities	(B)	152.61	2.07
Total Equity and Liabilities	(A+B)	576.84	16.69


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


Amit Yadav
Partner
Membership No. 501753



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


Sanjay Mehta
Director
DIN: 06434661


Vikas Marwah
Director
DIN: 08705643

Place : Gurugram
Date : May 11, 2022



Lumax Yokowo Technologies Private Limited
Statement of Profit and loss for the year ended March 31, 2022

All amounts are presented in INR Lakhs, unless otherwise stated

	Notes	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Other income	15	2.57	-
I Total income		2.57	-
Expenses			
Cost of raw material and components consumed	16	1.08	-
(Increase)/Decrease in inventories of finished goods and work-in-progress	17	(1.07)	-
Employee benefits expense	18	0.56	-
Finance costs	19	0.01	-
Other expenses	20	21.38	6.38
II Total expenses		21.96	6.38
III Profit/(loss) before tax(I-II)		(19.39)	(6.38)
Tax expense:			
Current tax		-	-
IV Total tax expense		-	-
V Loss for the year (III-IV)		(19.39)	(6.38)
Other comprehensive income		-	-
VI Other comprehensive income/(loss) for the year, net of tax		-	-
VII Total comprehensive income for the year (Comprising net profit for the year and other comprehensive income/(loss)) (V+VI)		(19.39)	(6.38)
VIII Earnings per share (per share of face value Rs 10 each) :			
-Basic and Diluted	21	(1.36)	(11.61)

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


Amit Yadav
Partner
Membership No. 501753



Place : Gurugram
Date : May 11, 2022

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


Sanjay Mehta
Director
DIN: 06434661


Vikas Marwah
Director
DIN: 08705643



Lumax Yokowo Technologies Private Limited

Statement of Changes in equity for the year ended March 31, 2022

All amounts are presented in INR Lakhs, unless otherwise stated

	Share Capital (1)	Other Equity		Total Equity (1+2)
		Retained Earnings	Total Reserves and Surplus (2)	
As at April 01, 2020	1.00	-	-	1.00
Add: Profit for the year	-	(6.38)	(6.38)	(6.38)
Add: Transfers	20.00	-	-	20.00
As at March 31, 2021	21.00	(6.38)	(6.38)	14.62
Add: Profit for the year	-	(19.39)	(19.39)	(19.39)
Add: Issue during the year	429.00	-	-	429.00
As at March 31, 2022	450.00	(25.77)	(25.77)	424.23

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



Amit Yadav

Partner

Membership No. 501753



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



Sanjay Mehta

Director

DIN: 06434661



Vikas Marwah

Director

DIN: 08705643

Place : Gurugram

Date : May 11, 2022



	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash Flow from Operating Activities		
Profit/(Loss) before tax from continuing operations	(19.39)	(6.38)
Non-cash adjustments:		
Adjustment to reconcile profit before tax to net cash flows		
Unrealised exchange (gain)/loss	0.01	-
Interest income	(2.56)	-
Interest expenses	0.01	-
Operating loss before working capital changes	(21.93)	(6.38)
Movements in working capital :		
Increase in trade receivables	(0.51)	-
Increase in financial assets	(7.88)	-
Increase in other assets	(45.01)	(0.43)
Increase in inventories	(2.10)	-
Increase in trade payable and other payable	0.55	2.07
Increase in current liabilities, provisions and financial liability	37.64	-
Cash used in operations	(39.24)	(4.74)
Direct taxes paid	(0.26)	-
Net cash used in operating activities (A)	(39.50)	(4.74)
Cash flows from investing activities		
Purchase of PPE (including capital work in progress and capital advances)	(101.87)	-
Interest received	1.90	-
Net cash used in investing activities (B)	(99.97)	-
Cash flows from financing activities		
Interest paid	(0.01)	-
Proceeds from issue of shares	429.00	20.00
Net cash generated from financing activities (C)	428.99	20.00
Net increase in cash and cash equivalents (A + B + C)	289.52	15.26
Cash and cash equivalents at the beginning of the year	16.26	1.00
Cash and cash equivalents at the end of the year	305.78	16.26

Components of cash and cash equivalents

Balance with banks		
- On current accounts	5.78	16.26
- Deposits with original maturity of less than three months	300.00	-
Total cash and cash equivalents (refer note 9)	305.78	16.26

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



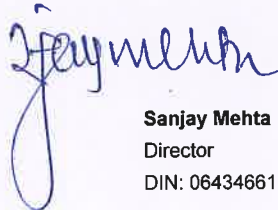
Amit Yadav

Partner

Membership No. 501753



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



Sanjay Mehta

Director

DIN: 06434661



Vikas Marwah

Director

DIN: 08705643

Place : Gurugram

Date : May 11, 2022



Lumax Yokowo Technologies Private Limited
Notes to financial statements for the year ended March 31, 2022

1. Corporate information

Lumax Yokowo Auto Technologies Private Limited was incorporated on February 20, 2020 to carry on the business of the design, development, manufacturing, marketing and supply of the automobile communication devices. It is a subsidiary of Lumax Auto Technologies Limited.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 11, 2022.

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:

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

All other assets are classified as non-current.

A liability is current when:

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



All other liabilities are classified as non-current.

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

Operating cycle

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

B. 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.



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

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.

D. 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.

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.

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.

E. 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.



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

F. 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.

G. 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).



H. Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax 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.



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

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

I. 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.

J. 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.

K. Fair value measurement

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

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

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

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

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

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

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)

L. 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



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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 following categories:

- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

a) Financial assets at amortised cost

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.

b) 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.

c) 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.

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)

a) 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.

b) 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.



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.

M. 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.

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.



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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) Ind AS 116: COVID-19 related rent concessions:

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

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

ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

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

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

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

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

iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

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

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

2.4 Standards issued but not effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs



that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

(iii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Company as it was first time adopter in an earlier year.

(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.



(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have any impact on the Company as it does not carry on any agricultural activities.



3 Capital work in progress

The details of capital work in progress:

	As at March 31, 2022	As at March 31, 2021
Capital work in progress	188.39	-
Total	188.39	-

Capital work in progress (CWIP) Ageing Schedule
 As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	188.39	-	-	-	188.39

Capital work in progress (CWIP) Ageing Schedule
 As at March 31, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

The projects in progress are not overdue in terms of time and cost from their original approved plan.

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4 Non Current Tax Assets

	As at March 31, 2022	As at March 31, 2021
Non Current tax asset	0.26	-
Total	0.26	-



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5 Other financial assets

	As at March 31, 2022	As at March 31, 2021
(Unsecured and considered good unless otherwise stated)		
Non-current		
Security Deposits	7.88	-
Total (A)	7.88	-
Current		
Interest accrued but not due	0.66	-
Total (B)	0.66	-
Total (A+B)	8.54	-
Current	0.66	-
Non-current	7.88	-
	8.54	-

Break up of financial assets carried at amortised cost:

	As at March 31, 2022	As at March 31, 2021
Other financial assets (refer note 5)	8.54	-
Trade receivables (refer note 8)	0.51	-
Cash and cash equivalents (refer note 9)	305.78	16.26
Total	314.83	16.26



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6 Other assets

	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good, unless otherwise stated)		
Non-current		
Advances for property, plant and equipment	25.82	-
Total (A)	25.82	-
Current		
Balance with statutory / government authorities	36.24	0.43
Advance to suppliers	9.20	-
Total (B)	45.44	0.43
Total (A+B)	71.26	0.43
Current	45.44	0.43
Non-current	25.82	-



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7 Inventories

	As at March 31, 2022	As at March 31, 2021
Raw materials (at cost)	0.63	-
Work-in-progress (at cost)	0.87	-
Finished goods (at lower of cost and net realisable value)	0.20	-
Stores and spares	0.40	-
Total	2.10	-

8 Trade receivables

a) Details of trade receivables:

	As at March 31, 2022	As at March 31, 2021
Receivables from other related parties (refer note 23)	0.51	-
Total Trade receivables	0.51	-

b) Break-up for security details:

	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Unsecured; considered good	0.51	-
Total	0.51	-

c) 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.

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

e) for terms and conditions with related parties refer note 23.

Trade receivables Ageing Schedule- As at March 31, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less Than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	0.51	-	-	-	-	0.51
(ii) Undisputed Trade receivables – Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit impaired	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade receivables – Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit impaired	-	-	-	-	-	-	-
Total	-	0.51	-	-	-	-	0.51

Trade receivables Ageing Schedule- As at March 31, 2021

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less Than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade receivables – Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit impaired	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade receivables – Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-



9 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- On current accounts	5.78	16.26
- Deposits with original maturity of less than 3 months	300.00	-
Total	305.78	16.26

Cash at banks earns interest at fixed rates based on bank deposit rates range 2.5%-3%, Short term deposits are made for varying periods of between one day to 90 days

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	5.78	16.26
- Deposits with original maturity of less than 3 months	300.00	-
Total	305.78	16.26



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10 Share Capital

a) Details of share capital:

	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
50,00,000 (As at March 31, 2021 5,00,000) equity shares of Rs. 10 each	500.00	50.00
	500.00	50.00
Issued, subscribed and fully paid up capital		
45,00,000 (As at March 31, 2021 2,10,000) equity shares of Rs. 10 each	450.00	21.00
	450.00	21.00

b) Reconciliation of authorised share capital

	Equity Shares	
	No. of shares	Amount
As at April 01, 2020	10,000	1.00
Increase during the year	4,90,000	49.00
As at March 31, 2021	5,00,000	50.00
Increase during the year	45,00,000	450.00
As at March 31, 2022	50,00,000	500.00

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

	Equity Shares	
	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 01, 2020	10,000	1.00
Issued during the year	2,00,000	20.00
As at March 31, 2021	2,10,000	21.00
Issued during the year	42,90,000	429.00
As at March 31, 2022	45,00,000	450.00

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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 and Promoters in the Company

As at 31st March 2022

Name of the shareholder/Promoters	No. of Shares at the beginning of year	Change during the year	No. of Shares at the end of year	% of Total Shares	% change during the year
Equity shares of Rs. 10 each fully paid					
Lumax Auto Technologies Ltd.	2,09,999	20,40,001	22,50,000	50%	-49.9995%
Yokowo Co. Ltd.	-	22,50,000	22,50,000	50%	50%

As at 31st March 2021

Name of the shareholder/Promoters	No. of Shares at the beginning of year	Change during the year	No. of Shares at the end of year	% of Total Shares	% change during the year
Equity shares of Rs. 10 each fully paid					
Lumax Auto Technologies Ltd.	9,999	2,00,000	2,09,999	99.9995%	0.0095%

f) Shares held by holding or their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its holding company and their subsidiaries/ associates are as below:

	As at March 31, 2022	As at March 31, 2021
Lumax Auto Technologies Limited (Holding Company) 22,50,000 (March 31, 2021: 2,09,999) equity shares	225.00	21.00

g) The Company does not have any equity shares issued as bonus, shares issued other than cash and shares bought back during the period.

11 Other equity

Reconciliation of Other Equity

	Retained Earnings	Total
As at April 01, 2020	-	-
Profit for the year	(6.38)	(6.38)
As at March 31, 2021	(6.38)	(6.38)
Profit for the year	(19.39)	(19.39)
As at March 31, 2022	(25.77)	(25.77)

11.1 Nature and purpose of reserves

a) Retained Earning

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

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12 Other liabilities	As at March 31, 2022	As at March 31, 2021
Current		
Statutory dues	37.63	-
Total	37.63	-

13 Trade payables	As at March 31, 2022	As at March 31, 2021
A. Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note below for details of due to micro and small enterprises)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2.55	2.07
	2.55	2.07
- Trade payables	1.61	2.07
- Trade payables to related parties (refer note 23)	0.94	-
	2.55	2.07
B. Other payables		
- Other payables	0.07	-
Total	2.62	2.07
Payables to Micro and Small Enterprises	-	-
Payables to Others than Micro and Small Enterprises	2.62	2.07

Terms and conditions of the above financial liabilities:

- Trade payables and other payables are non-interest bearing and are normally settled on 30 to 90 day terms for terms and conditions with related parties refer note 23.
For explanations on the Company's credit risk management processes, refer note 22.

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

Trade Payable Ageing Schedule

As at March 31, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1.91	0.64	-	-	-	2.55
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	1.91	0.64	-	-	-	2.55



Trade Payable Ageing Schedule

As at March 31, 2021

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.00	0.07	-	-	-	2.07
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	2.00	0.07	-	-	-	2.07

14 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Other financial liabilities at amortised cost		
Current		
Amount payable for property, plant and equipment	112.34	-
Accrued salaries	0.02	-
Total	112.36	-

Breakup of financial liabilities at amortised cost:

	As at March 31, 2022	As at March 31, 2021
Trade payables (refer note 13)	2.82	2.07
Other financial liabilities (refer note 14)	112.36	-
Total financial liabilities carried at amortised cost	114.98	2.07

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15 Other income

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Other non-operating income		
Interest income		
- On fixed deposits	2.56	-
Gain on foreign currency transactions (net)	0.01	-
Total	2.57	-

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16 Cost of raw materials and components consumed

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Inventory at the beginning of the year	-	-
Add: Purchases	1.71	-
Less: Inventory at the end of the year	(0.63)	-
Cost of raw materials and components consumed	1.08	-

17 (Increase)/Decrease in inventories of finished goods and work-in-progress

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Opening stock		
- Finished goods	-	-
- Work-in progress	-	-
Total (A)	-	-
Closing stock		
- Finished goods	0.20	-
- Work-in progress	0.87	-
Total (B)	1.07	-
Changes in inventories		
- Finished Goods	(0.20)	-
- Work-in progress	(0.87)	-
(Increase)/Decrease in inventories of finished goods and work-in-progress (A-B)	(1.07)	-

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Lumax Yokowo Technologies Private Limited**Notes to financial statements for the year ended March 31, 2022***All amounts are presented in INR Lakhs, unless otherwise stated***18 Employee benefits expense**

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Salaries, wages and bonus	0.01	-
Staff welfare expense	0.55	-
Total	0.56	-

The Code on Social Security 2020 (Code), which received the Presidential Assent on September 28, 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.

19 Finance costs

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Interest paid to others	0.01	-
Total	0.01	-

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20 Other expenses

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Freight and forwarding charges	0.03	-
Travelling and conveyance	0.11	0.03
Rent	12.06	-
Legal and professional fees	0.49	0.01
Communication cost	0.14	-
Bank Charges	0.13	0.03
Rates and taxes	0.91	-
Payment to auditors (refer details below)*	3.00	4.11
Insurance	0.04	-
Printing and stationery	0.03	0.02
Miscellaneous expenses	4.44	2.18
Total	21.38	6.38

*Payment to Auditor

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
As Auditor:		
Audit Fee	3.00	4.00
In other Capacity:		
Reimbursement of expenses	-	0.11
Total	3.00	4.11

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21 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. Basic and diluted EPS are same as there are no convertible financial instruments outstanding as on March 31, 2022

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

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Loss attributable to the equity holders of the Company	(19.39)	(6.38)
Weighted average number of equity shares for basic and diluted EPS	14,30,219	54,932
Basic and diluted earnings per share (face value Rs. 10 per share, PY Rs. 10 per share) (Rs.)	(1.36)	(11.61)

c) 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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22 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, 2022 and March 31, 2021.

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 March 31, 2022 and March 31, 2021 including the effect of hedge accounting.

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 does not have foreign currency trade payables and receivables and is therefore not exposed to foreign exchange risk as on March 31, 2022.

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.

March 31, 2022	On Demand	Less than 1 year	1 to 5 years	> 5 years	Total
Trade and other payables	-	2.62	-	-	2.62
Other financial liabilities	-	112.36	-	-	112.36
Total	-	114.98	-	-	114.98

March 31, 2021	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Trade and other payables	-	2.07	-	-	2.07
Other financial liabilities	-	-	-	-	-
Total	-	2.07	-	-	2.07

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23 Related party disclosures

Names of related parties and related party relationship

Relationship	Name of Related Parties
Holding Company	Lumax Auto Technologies Limited
Joint Venture	Yokowo Co. Limited
Enterprises owned or significantly influenced by key management personnel and/ or their relatives	Lumax Industries Limited Lumax FAE Technologies Private Limited

Related Party Transactions	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
A) TRANSACTIONS		
(i) Sale of Goods		
Yokowo Co. Limited	0.50	-
TOTAL	0.50	-
(i) Purchase of Goods		
Yokowo Co. Limited	1.14	-
TOTAL	1.14	-
(i) Availing of Services		
Yokowo Co. Limited	97.07	-
TOTAL	97.07	-
(i) Security Deposit Given		
Lumax FAE Technologies Private Limited	7.88	-
TOTAL	7.88	-
(i) Reimbursement of Expenses		
Lumax Auto Technologies Limited	2.24	-
TOTAL	2.24	-
(i) Rent		
Lumax Industries Limited	0.18	-
Lumax FAE Technologies Private Limited	14.04	-
TOTAL	14.23	-
B) Balance at the year end		
i) Payable		
Yokowo Co. Limited	78.80	-
TOTAL	78.80	-
i) Receivable		
Yokowo Co. Limited	0.50	-
TOTAL	0.50	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



24 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:

a) Revenue from contracts with customers

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of products include a right of price revision on account of change of commodity prices/purchase price that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the most likely method is the appropriate method to use in estimating the variable consideration for the sale of products. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimates and assumptions

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

a) Property, plant and equipment

The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by the management. The Company believes that the derived useful life best represents the period over which the Company expects to use these assets.

b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the longterm nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



e) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are also relevant to other intangibles. During the year the Company has done the impairment assessment of non-financial assets and have concluded that there is no impairment in value of non-financial assets as appearing in the financial statements.

25 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, 2022 and March 31, 2021.

	March 31, 2022	March 31, 2021
Borrowings including current maturities of long term borrowing	-	-
Less: cash and cash equivalents	(305.78)	(16.26)
Net debts-Restricted to zero (where cash and cash equivalents are more than total borrowings)	-	-
Capital components		
Equity Share capital	450.00	21.00
Other equity	(25.77)	(6.38)
Total equity	424.23	14.62
Capital and net debt	424.23	14.62
Gearing ratio (%)	-	-

26 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:

	Carrying values		Fair values	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial Instruments where carrying amounts that are reasonable approximations of fair values:				
Other Financials asset	8.54	-	8.54	-
Trade receivables	0.51	-	0.51	-
Cash and cash equivalents	305.78	16.26	305.78	16.26
Total	314.83	16.26	314.83	16.26

b) Fair value of financial liabilities:

	Carrying values		Fair values	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial liabilities measured at amortised cost				
Trade payables	2.62	2.07	2.62	2.07
Other financial liabilities	112.36	-	112.36	-
Total	114.98	2.07	114.98	2.07

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.



27 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, 2022:

	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Others				
Other Financials asset	8.54	-	-	8.54
Trade receivables	0.51	-	-	0.51
Cash and cash equivalents	305.78	-	-	305.78
Total	314.83	-	-	314.83

(b) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2022:

	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				
Trade payables	2.62	-	-	2.62
Other financial liabilities	112.36	-	-	112.36
Total	114.98	-	-	114.98

(c) 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)
Others				
Cash and cash equivalents	16.26	-	-	16.26
Total	16.26	-	-	16.26

(d) 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				
Trade payables	2.07	-	-	2.07
Total	2.07	-	-	2.07



28 Ratios analysis for the financial year ended March 31, 2022

Particulars	As at/for the year ended March 31, 2022	As at/for the year ended March 31, 2021	YoY Movement	Remarks
(a) Current Ratio,	2.32	8.06	-71%	Majorly due to proceeds from issue of share capital
Current Assets	354.49	16.69		
Current Liability	152.61	2.07		
(b) Debt-Equity Ratio,	-	-	0%	Not applicable
Debt + Lease Liabilities	-	-		
Equity	424.23	14.62		
(c) Debt Service Coverage Ratio,	-	-	0%	The Company does not have any debt
Profit after tax + Interest + Depreciation	(19.38)	(6.38)		
Debt + Interest payments + Lease payments	-	-		
(d) Return on Equity Ratio,	(0.05)	(0.44)	-90%	Majorly due to shares issued during the year
Profit after tax	(19.39)	(6.38)		
Shareholder's Equity	424.23	14.62		
(e) Inventory turnover ratio,	0.01	-	0%	
Cost of goods sold	0.01	-		
Average Inventory	1.05	-		
(f) Trade Receivables turnover ratio,	-	-	0%	Not applicable
Sales	-	-		
Average Debtor	0.26	-		
(g) Trade payables turnover ratio,	0.00	-	0%	
Cost of goods sold	0.01	-		
Average Trade payable	2.35	1.04		
(h) Net capital turnover ratio,	-	-	0%	The company has no sales during the year
Sales	-	-		
Working Capital	201.88	14.62		
(i) Net profit ratio,	-	-	0%	The company has no Revenue from operations
Profit after tax	(19.39)	(6.38)		
Revenue from operations	-	-		
(j) Return on Capital employed,	(0.05)	(0.44)	-90%	Majorly due to share issued during the year
Profit before tax + Interest + Depreciation	(19.38)	(6.38)		
Capital employed (Equity + Debt(including lease liabilities) + Deferred tax liability)	424.23	14.62		
(k) Return on investment.	-	-	0%	Not applicable
Return on investment	-	-		
Weighted average investment	-	-		

29 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have transactions with struck off companies.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.



- 30 The Company's business activity falls within a single business segment i.e. manufacturing and trading of Automotive Components and therefore, segment reporting in terms of Ind-AS 108 on Segmental Reporting is not applicable.
- 31 Consequent to the uncertainties caused due to continuation of pandemic, the Company has prepared a cash flow projections and also assessed the recoverability of receivables, inventories, other financial & non-financial assets and factored assumptions used in annual impairment testing of property plant and equipment. On the basis of this evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial & non financial assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19. However, the Company will continue to closely monitor any material changes to future economic conditions, required, if any.

The accompanying notes form an integral part of these standalone financial statements

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


Amit Yadav
Partner
Membership No. 501753



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


Sanjay Mehta
Director
DIN: 06434661


Vikas Marwah
Director
DIN: 08705643

Place : Gurugram
Date : May 11, 2022

