

INDEPENDENT AUDITOR'S REPORT

To The Members of Staras Seating Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Staras Seating Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total 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) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Responsibilities of Management and Those Charged with Governance 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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, except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India (Refer Note 44 to the financial statements).
- c) The Balance Sheet, the Statement of Profit and Loss including 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 Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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- f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- h) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, Section 197 of the Act related to the managerial remuneration is not applicable.
- i) 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 it's knowledge and belief, as disclosed in the note 43A to the financial statements, 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 it's knowledge and belief, as disclosed in the note 43B to the financial statements, 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, 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.



- (c) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



Sandeep Kukreja
Partner
(Membership No. 220411)
UDIN: 23220411BGQBQU1349

Place: Bengaluru
Date: August 22, 2023
SK/TG/2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls with reference to financial statements of **Staras Seating Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



Sandeep Kukreja

Partner

(Membership No. 220411)
UDIN: 23220411BGQBQU1349

Place: Bengaluru
Date: August 22, 2023
SK/TG/2023

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)**

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) In respect of property, plant and equipment:
- (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right-of-use assets.
 - B. The Company does not hold any intangible assets, reporting under clause (i)(a)(B) of the Order is not applicable.
 - (b) The Property, plant and equipment and right-of-use assets were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
 - (d) The Company has not revalued any of its property, plant and equipment and right-of-use assets during the year. The Company does not have any intangible assets.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
- (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.
 - (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

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- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under Section 148(1) of the Companies Act, 2013. Hence, reporting under clause (vi) of the Order is not applicable
- (vii) In respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Customs, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities. We have been informed that the provisions of Excise Duty are not applicable to the Company.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) There were no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023, on account of disputes.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessment under the Income-tax Act, 1961 (43 of 1961) during the year.
- (ix)
- (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under 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 has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.
- (x)
- (a) In The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

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- (xi)
- (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - (c) Based on the information and explanations provided to us, the Company is not required to have a vigil mechanism as per the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is an private company which does not satisfy the requirements of Section 177 applicability and the same is not applicable.
- (xiv) In our opinion and based on our examination, as the Company is not required to have an internal audit system under Section 138 of the Companies Act, 2013, it did not have the same established during the year. Hence, reporting under clause (xiv) is not applicable to the company.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
 - (b) The Group ("Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions) does not have any CIC (Core Investment Company) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and 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 indicating 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



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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) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



Sandeep Kukreja

Partner

(Membership No. 220411)
UDIN: 23220411BGQBQU1349

Place: Bengaluru
Date: August 22, 2023
SK/TG/2023

STARAS SEATING PRIVATE LIMITED

CIN U51909MH2005PTC154583

Balance Sheet as at 31 March 2023

(All amounts are Indian Rupees Millions except for share information or as otherwise stated)

| Particulars | Note No. | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|--|----------|---------------|---------------|---------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 4 | 50.67 | 21.98 | 9.75 |
| Right of use assets | 5 | 74.00 | 101.89 | 47.59 |
| Financial assets | | | | |
| Other financial assets | 6 | 17.39 | 15.35 | 7.19 |
| Non current tax assets (Net) | 9 | 0.08 | - | 1.51 |
| Deferred tax assets | 7 | 7.28 | 7.84 | 7.57 |
| Total non-current assets | | 149.42 | 147.06 | 73.61 |
| Current assets | | | | |
| Inventories | 10 | 63.04 | 51.28 | 30.33 |
| Financial assets | | | | |
| (i) Trade receivables | 11 | 2.13 | 4.94 | 2.23 |
| (ii) Cash and cash equivalents | 12 | 22.09 | 18.27 | 15.73 |
| (iii) Other financial assets | 6 | - | 0.63 | - |
| Other current assets | 8 | 10.41 | 11.60 | 25.08 |
| Total current assets | | 97.67 | 86.72 | 73.37 |
| Total assets | | 247.09 | 233.78 | 146.98 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 13 | 10.10 | 10.10 | 10.10 |
| Other equity | 14 | 90.98 | 70.88 | 40.96 |
| Total equity attributable to equity holders | | 101.08 | 80.98 | 51.06 |
| Total Equity | | | | |
| Total Equity | | 101.08 | 80.98 | 51.06 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| (i) Lease liabilities | 32 | 64.17 | 75.98 | 53.33 |
| (ii) Asset retirement obligations | 4.1 | 0.65 | 0.60 | 0.55 |
| Provisions | 15 | 2.24 | 1.36 | 1.26 |
| Total Non-current liabilities | | 67.06 | 77.94 | 55.14 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| (i) Lease liabilities | 32 | 27.88 | 42.36 | 14.00 |
| (ii) Trade payables | | | | |
| a) Dues to micro and small enterprises | 16 | - | - | - |
| b) Dues to other than micro and small enterprises | 16 | 16.91 | 4.15 | 3.94 |
| Provisions | 15 | 0.61 | 0.14 | 0.11 |
| Current tax liabilities (Net) | 18 | - | 0.73 | 3.02 |
| Other current liabilities | 17 | 33.55 | 27.48 | 19.71 |
| Total Current liabilities | | 78.95 | 74.86 | 40.78 |
| Total Equity and Liabilities | | 247.09 | 233.78 | 146.98 |
| Summary of significant accounting policies | | | | |
| | 1 to 3 | | | |

The accompanying notes are integral part of these financials statements
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Sandeep Kukreja
Partner
Membership No. 220411

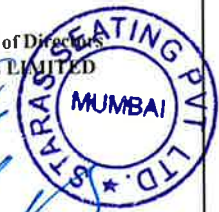
Place: Bengaluru
Date : 22 August 2023



For and on behalf of the Board of Directors
STARAS SEATING PRIVATE LIMITED

Sunil Suresh
Director
DIN: 01421517

Shubha Sunil
Director
DIN: 01363687



Place: Bengaluru
Date : 22 August 2023

STARAS SEATING PRIVATE LIMITED

CIN U51909MH2005PTC154583

Statement of Profit and Loss for the year ended 31 March 2023

(All amounts are Indian Rupees Millions except for share information or as otherwise stated)

| Particulars | Note No. | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|---------------|
| I Revenue from operations | 19 | 289.36 | 235.13 |
| II Other income | 20 | 1.50 | 1.15 |
| III Total revenue (I+II) | | 290.86 | 236.28 |
| IV Expenses | | | |
| a) Purchase of stock in trade | 21 | 175.47 | 160.62 |
| b) Changes in stock traded goods | 22 | (11.76) | (20.95) |
| c) Employee benefits expenses | 23 | 21.23 | 14.93 |
| d) Finance costs | 24 | 9.42 | 5.99 |
| e) Depreciation and amortisation | 25 | 31.81 | 16.92 |
| f) Other expenses | 26 | 39.89 | 18.14 |
| Total expense | | 266.06 | 195.65 |
| V Profit before tax (III - V) | | 24.80 | 40.63 |
| VI Tax expenses | | | |
| a) Current tax | | | |
| (i) for the year | 18 | 7.13 | 10.43 |
| (ii) relating to earlier year | 18 | (3.03) | 0.74 |
| b) Deferred tax | 18 | 0.74 | (0.32) |
| Total tax expense | | 4.84 | 10.85 |
| VII Profit for the year (V-VI) | | 19.96 | 29.78 |
| VIII Other comprehensive income (OCI) | | | |
| Items that will not be reclassified to the Statement of Profit or Loss in subsequent periods: | | | |
| a) Remeasurement gains / (losses) on past-employment benefits obligation | 33 | (0.74) | 0.19 |
| b) Income tax relating to above | 18 | 0.19 | (0.05) |
| Total other comprehensive income | | (0.55) | 0.14 |
| IX Total comprehensive income net of tax for the year (VII + VIII) | | 19.41 | 29.92 |
| Earnings per equity share (EPS) of nominal value of share Rs.10 | | | |
| - Basic and diluted (in Rs) | 36 | 19.76 | 29.49 |
| Summary of significant accounting policies | 1 to 3 | | |

The accompanying notes are integral part of these financials statements
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S


Sandeep Kukreja
Partner

Membership No. 220411

Place: Bengaluru
Date : 22 August 2023



For and on behalf of the Board of Directors
STARAS SEATING PRIVATE LIMITED


Sumit Suresh
Director
DIN: 01421517


Shubha Sunil
Director
DIN: 01363687



Place: Bengaluru
Date : 22 August 2023

STARAS SEATING PRIVATE LIMITED
CIN U51909MH2005PTC154583

Statement of Cash Flows for the year ended 31 March 2023

(All amounts are Indian Rupees Millions except for share information or as otherwise stated)

| | Particulars | Note No. | 31 March 2023 | 31 March 2022 |
|----------|---|----------|----------------|----------------|
| A | Cash flows from operating activities: | | | |
| | Profit for the year | | 24.80 | 40.63 |
| | Adjustments for: | | | |
| | Depreciation and amortisation expenses | 25 | 31.81 | 16.92 |
| | Provision for doubtful trade receivables and advances (net) | 26 | 0.07 | - |
| | Finance costs | 24 | 9.42 | 5.99 |
| | Reversal of expected credit loss | 20 | - | (0.02) |
| | Interest income | 20 | (1.44) | (1.06) |
| | Interest on income tax | 20 | (0.06) | (0.07) |
| | Share based payment expense | 23 | 0.69 | - |
| | Operating profit before working capital changes | | 65.29 | 62.39 |
| | Adjustments for (increase)/ decrease in operating assets: | | | |
| | Other financial assets | | 0.03 | (8.07) |
| | Trade receivables | | 2.74 | (2.69) |
| | Inventories | | (11.76) | (20.95) |
| | Other current assets | | 1.19 | 13.48 |
| | Adjustments for increase/ (decrease) in operating liabilities: | | | |
| | Provisions | | 0.61 | 0.32 |
| | Trade payables | | 12.94 | (4.01) |
| | Other current liabilities | | 6.07 | 7.77 |
| | Cash generated from operations | | 77.11 | 48.24 |
| | Income taxes paid (net) | | (5.03) | (11.94) |
| | Net cash generated from operating activities | | 72.08 | 36.30 |
| B | Cash flows from investing activities | | | |
| | Purchase of property, plant and equipment, intangible assets | | (32.61) | (14.00) |
| | Interest received | | - | 0.34 |
| | Net cash used in investing activities | | (32.61) | (13.66) |
| C | Cash flows from financing activities | | | |
| | Interest on lease rentals (refer note (a) below) | 32 | (9.36) | (5.94) |
| | Payment of lease rentals (refer note(a) below) | 32 | (26.29) | (14.16) |
| | Net cash used in financing activities | | (35.65) | (20.10) |
| | Net decrease in cash and cash equivalents | | 3.82 | 2.54 |
| | Cash and cash equivalents at the beginning of the year | | 18.27 | 15.73 |
| | Cash and cash equivalents at the end of the year | | 22.09 | 18.27 |
| | Details of Cash and cash equivalents | | | |
| | Balances with banks | | | |
| | (i) In current accounts | 12 | 22.07 | 18.25 |
| | Cash on hand | 12 | 0.02 | 0.02 |
| | Cash and cash equivalents at the end of the year (Refer note 12) | | 22.09 | 18.27 |

Notes:

a. Reconciliation of movements of cash flow from financing activities:

| Particulars | 31 March 2022 | Non-cash changes | | Cash flows | 31 March 2023 |
|-------------------|---------------|--------------------------------------|-----------------|----------------|---------------|
| | | Finance cost accrued during the year | Additions (Net) | | |
| Lease liabilities | 118.34 | 9.36 | - | (35.65) | 92.05 |
| Total | 118.34 | 9.36 | - | (35.65) | 92.05 |

As at 31 March 2022

| Particulars | 1 April 2021 | Non-cash changes | | Cash flows | 31 March 2022 |
|-------------------|--------------|--------------------------------------|-----------------|----------------|---------------|
| | | Finance cost accrued during the year | Additions (Net) | | |
| Lease liabilities | 67.33 | 5.94 | 65.17 | (20.10) | 118.34 |
| Total | 67.33 | 5.94 | 65.17 | (20.10) | 118.34 |

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No: 008072S)

Sandeep Kukreja
Partner
Membership No. 220411

Place: Bengaluru
Date : 22 August 2023



For and on behalf of the Board of Directors
STARAS SEATING PRIVATE LIMITED

Sunil Suresh
Director
DIN: 01421517

Place: Bengaluru
Date : 22 August 2023

Shubha Sunil
Director
DIN: 01363687



STARAS SEATING PRIVATE LIMITED

CIN U51909MH2005PTC154583

Statement of changes in equity for the year ended 31 March 2023

(All amounts are Indian Rupees Millions except for share information or as otherwise stated)

STATEMENT OF CHANGES IN EQUITY

A Equity Share Capital

As at 31 March 2023

| Balance at the beginning of the current reporting years | Restated balance at the beginning of the current reporting year | Changes in equity share capital during the current year | Balance at the end of the current reporting year |
|---|---|---|--|
| 10.10 | 10.10 | - | 10.10 |

As at 31 March 2022

| Balance at the beginning of the current reporting year | Restated balance at the beginning of the current reporting year | Changes in equity share capital during the current year | Balance at the end of the current reporting year |
|--|---|---|--|
| 10.10 | 10.10 | - | 10.10 |

B Other equity

| Particulars | Attributable to the equity holders | | | Total other equity attributable to equity holders of the company |
|------------------------------|------------------------------------|----------------------|---|--|
| | Reserve and surplus | | Items of other comprehensive Income (OCI) | |
| | Retained earnings | Capital contribution | Remeasurement of defined benefit plans | |
| As at 1 April 2021 | 40.96 | - | - | 40.96 |
| Add / (Less): | | | | |
| Profit for the year | 29.78 | - | - | 29.78 |
| Other comprehensive income | - | - | 0.14 | 0.14 |
| Total adjustments (B) | 29.78 | - | 0.14 | 29.92 |
| As at 31 March 2022 | 70.74 | - | 0.14 | 70.88 |
| Add / (Less): | | | | |
| Profit for the year | 19.96 | - | - | 19.96 |
| Share based payment expense | - | 0.69 | - | 0.69 |
| Other comprehensive income | - | - | (0.55) | (0.55) |
| Total adjustments (C) | 19.96 | 0.69 | (0.55) | 20.10 |
| As at 31 March 2023 | 90.70 | 0.69 | (0.41) | 90.98 |

The accompanying notes are integral part of these financials statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration No. 008072S

Sandeep Kukreja

Partner

Membership No. 220411

Place: Bengaluru

Date : 22 August 2023



For and on behalf of the Board of Directors

STARAS SEATING PRIVATE LIMITED

Sunil Suresh

Director

DIN: 01421517

Place: Bengaluru

Date : 22 August 2023

Shubha Sunil

Director

DIN: 01363687



STARAS SEATING PRIVATE LIMITED

CIN U51909MH2005PTC154583

Notes to financial statements for the year ended 31 March 2023

(All amounts are Indian Millions except for share information or as otherwise stated)

1 General Information

Staras Seating Private Limited was incorporated on 7 July 2005 as a private limited company under the provisions of the Companies Act 1956 with its registered office in Mumbai, India. The Company is primarily engaged in the business of trading of furniture and leather products.

The financial statements of the Company were approved in the meeting of the Board of Directors held on 22 August 2023

2 Significant accounting policies

Significant accounting policies adopted by the Company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements upto the year ended 31 March 2022 were prepared in accordance with accounting standard notified under Section 133 of the Companies Act, 2013 read with para 7 of the Companies (Accounts) Rules, 2014 as amended and the Companies Accounting Standard (Amended) Rules, 2016 (Indian GAAP or previous GAAP). These financial statements are first Ind AS financials statements. The date of transition to Ind AS is 1 April 2021.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021. Consequent to above, the Company has changed the classification/presentation of previous year balances to the extent applicable.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for items that have been measured at fair value as required by relevant Ind AS.

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- ii) Embedded derivative; and
- iii) Asset classified as held for sale.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer note 3 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipments

a) Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/ or accumulated impairment, if any. The cost includes its purchase price, including import duties and other non-refundable taxes or levies (for Leasehold improvements and Vehicles, Goods and Services Tax is not availed but added to the cost of acquisition or construction), freight and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

b) Subsequent expenditures related to an item property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

c) The cost of property, plant and equipment not ready for their intended use at the balance sheet date are disclosed as capital work in progress.

d) Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are disclosed as 'Capital Advances' under 'Other Non Current Assets'.

e) Where a significant component (in terms of cost) of an asset has an economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.



STARAS SEATING PRIVATE LIMITED

CIN U51909MH2005PTC154583

Notes to financial statements for the year ended 31 March 2023

(All amounts are Indian Millions except for share information or as otherwise stated)

Depreciation methods, estimated useful lives

Depreciation is provided on straight line method over the estimated useful life of the property, plant and equipment as per the useful life prescribed under Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are being amortised over the duration of the lease, or estimated useful life of the assets, whichever is lower. Depreciation on addition to property, plant and equipments is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale / deletion of property, plant and equipments is provided for upto the date of sale, deduction or discard of property, plant and equipment as the case

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Assets individually costing upto Rupees five thousand are not capitalized.

2.3 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("The Functional Currency"). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains / (losses) arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

2.4 Fair value measurement

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

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.



2.6 Revenue Recognition

Revenue is measured at transaction value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Ind AS 115 Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from operations based on five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A Contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of Consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Company satisfies a performance obligation.

Revenue from sale of goods in the course of ordinary activities is recognised when the property in the goods and all significant risks and rewards of their ownership are transferred to the customer which generally coincides with delivery to the customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognised as revenue is exclusive of GST and net of trade and quantity discounts.

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

Billings in excess of revenue recognized is classified as contract liabilities ('Deferred revenue') included in other current liabilities.

Other Income

Interest Income is recognised on basis of effective interest method as set out in Ind AS 109 , Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Interest income is recognised using the time-proportion method, based on underlying interest rates.

2.7 Taxes

Tax expense for the year, comprising current tax, deferred tax and minimum alternate tax /credit are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income tax act, in respect of MAT paid is recognised as asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set- off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(c) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.8 Leases

As a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

2.9 Inventories

Inventories are valued at lower of cost (weighted average method) and net realisable value after providing for obsolescence and other losses, where considered necessary. For traded goods purchases costs include cost of purchase and other costs bringing the inventory to their location.

Stock of raw materials, stores, spares, bought out items and certain components are valued at cost less amounts written down.

Stock of stock in trade are valued at lower of cost and net realisable value based on technical estimate of the percentage of work completed.

In determining the cost of stock in trade, moving / weighted average method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

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

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a Company of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are Companyed together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Companies of assets (the "cash-generating unit").



STARAS SEATING PRIVATE LIMITED

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Notes to financial statements for the year ended 31 March 2023

(All amounts are Indian Millions except for share information or as otherwise stated)

2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

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 recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is an obligation in respect of which the likelihood of outflow of resources is remote no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

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).

2.12 Borrowing Cost

Borrowing costs includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets upto the date the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the year in which they are incurred.

2.13 Cash and cash equivalents

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

Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal. Cash and cash equivalents include restricted cash and bank balances. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

2.14 Financial instruments

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

(a) Financial assets

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

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



(ii) **Subsequent measurement**

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

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost:

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Fair Value Through Other Comprehensive Income (FVOCI):

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.

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.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

(iii) **Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve months ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the year end.



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Notes to financial statements for the year ended 31 March 2023

(All amounts are Indian Millions except for share information or as otherwise stated)

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 shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including pre-payment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Consolidated Statement of Profit and Loss account. In Consolidated Balance Sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Consolidated Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) De-recognition of financial assets

A financial asset is de-recognized only when :

- a) the rights to receive cash flows from the financial asset is transferred; or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is de-recognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

(b) Financial liabilities

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

(iii) De-recognition

A financial liability is de-recognized 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 recognized in the Statement of Profit and Loss as finance costs.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.



2.15 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognized in respect of employees' services upto the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

(b) Defined contribution plan

The Company makes defined contribution to provident fund, which are recognised as an expense in the Statement of Profit and Loss on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(c) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / (gains) are recognized in the other comprehensive income in the year in which they arise.

(d) Other long term employee benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within Twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond twelve months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / (gains) are recognized in the Statement of Profit and Loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year (if any). The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.17 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating results separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Company has considered business segments as the primary segments for disclosure. The business segment in which the Company operates is 'manufacture, trading and sale of Automotive Seating Covers, Furniture, Fixtures and Accessories'. The Company does not have any geographical segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in the individual segment, and are as set out in the significant accounting policies.

Thus, as defined in Ind AS 108 - Operating Segments, The Company operates in a single business segment of namely manufacture, trading and sale of automotive seating covers, furniture, fixtures and accessories.

2.18 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest million as per requirements of Schedule III of the Act, unless otherwise stated.



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3 Significant accounting judgments, estimates and assumptions and recent pronouncements

The preparation of financial statements requires Management to make judgments, 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 years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end 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.

Defined benefits obligations

The cost of the defined benefit plans such as gratuity are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account inflation, seniority, promotion and other relevant factors on long-term basis.

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1- Presentation of Financial Statements- This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies in Accounting Estimates and Errors- This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendments and there is no impact on its financial statement.



4 Property, plant and equipment

| Particulars | Gross block | | | | Accumulated depreciation | | | Net carrying value | |
|------------------------|--------------------|--------------|-----------|---------------------|--------------------------|-----------------------|--------------|---------------------|---------------------|
| | As at 1 April 2022 | Additions | Disposals | As at 31 March 2023 | As at 1 April 2022 | Depreciation expenses | On Disposals | As at 31 March 2023 | As at 31 March 2022 |
| Leasehold improvements | 16.94 | 20.13 | - | 37.07 | 0.82 | 2.60 | - | 3.42 | 16.12 |
| Office Equipment | 3.37 | 3.56 | - | 6.93 | 0.36 | 0.84 | - | 1.20 | 3.01 |
| Computers | 0.44 | 0.45 | - | 0.89 | 0.10 | 0.17 | - | 0.27 | 0.34 |
| Electrical Equipment | 1.12 | 4.31 | - | 5.43 | 0.13 | 0.19 | - | 0.32 | 0.99 |
| Furniture and Fixtures | 1.88 | 4.16 | - | 6.04 | 0.36 | 0.12 | - | 0.48 | 1.52 |
| Total | 23.75 | 32.61 | - | 56.36 | 1.77 | 3.92 | - | 5.69 | 21.98 |

| Particulars | Gross block | | | | Accumulated depreciation | | | Net carrying value | |
|------------------------|--------------------|--------------|-----------|---------------------|--------------------------|-----------------------|--------------|---------------------|--------------------|
| | As at 1 April 2021 | Additions | Disposals | As at 31 March 2022 | As at 1 April 2021 | Depreciation expenses | On Disposals | As at 31 March 2022 | As at 1 April 2021 |
| Leasehold improvements | 6.21 | 10.73 | - | 16.94 | - | 0.82 | - | 0.82 | 6.21 |
| Office equipment | 1.28 | 2.09 | - | 3.37 | - | 0.36 | - | 0.36 | 1.28 |
| Computers | 0.17 | 0.27 | - | 0.44 | - | 0.10 | - | 0.10 | 0.17 |
| Electrical Equipment | 0.21 | 0.91 | - | 1.12 | - | 0.13 | - | 0.13 | 0.21 |
| Furniture and Fixtures | 1.88 | - | - | 1.88 | - | 0.36 | - | 0.36 | 1.88 |
| Total | 9.75 | 14.00 | - | 23.75 | - | 1.77 | - | 1.77 | 9.75 |

Note:

1. There has been no revaluation of property, plant and equipment during the financial year beginning 1 April 2021 till financial year ending 31 March 2023.
2. On transition to Ind AS (i.e. 1 April 2021), the Company has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.



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4.1 Assets retirement obligations

| Particulars | 31 March 2023 | 31 March 2022 | 31 March 2021 |
|-------------------------------|---------------|---------------|---------------|
| Assets retirement obligations | 0.65 | 0.60 | 0.55 |

5 Right of use assets (refer note 32)

| Particulars | Amount |
|--|--------|
| Cost | |
| As at 1 April 2021 | 61.59 |
| Add: Additions | 69.45 |
| Less: Disposals | - |
| As at 31 March 2022 | 131.04 |
| Add: Additions | - |
| Less: Disposals | - |
| As at 31 March 2023 | 131.04 |
| Depreciation | |
| As at April 1, 2021 | 14.00 |
| Add: Additions | 15.15 |
| Less: Disposals | - |
| As at 31 March 2022 | 29.15 |
| Add: Additions | 27.89 |
| Less: Disposals | - |
| As at 31 March 2023 | 57.04 |
| Written down value as at 1 April 2021 | 47.59 |
| Written down value as at 31 March 2022 | 101.89 |
| Written down value as at 31 March 2023 | 74.00 |

Note:

- The aggregate depreciation expense in right-of use assets is included under the depreciation and amortisation expense in the Statement of Profit and Loss
- There has been no revaluation of right-of-use assets during the financial year beginning 1 April 2021 till financial year ending 31 March 2023.



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6 Other financial assets

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|---|---------------|---------------|--------------|
| Non-current (Unsecured considered good) | | | |
| Security deposits | 17.39 | 15.35 | 7.19 |
| | 17.39 | 15.35 | 7.19 |
| Current (Unsecured, considered good) | | | |
| Security deposits | - | 0.60 | - |
| Advance to employees | - | 0.03 | - |
| | - | 0.63 | - |

7 Deferred tax assets

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|------------------------------------|---------------|---------------|--------------|
| Deferred tax assets: | | | |
| Property plant and equipment | 0.55 | 0.79 | 0.80 |
| Provision for bonus | 0.13 | 0.97 | 0.96 |
| Provision for expected credit loss | 0.03 | 0.01 | 0.01 |
| Lease liabilities (net) | 5.85 | 5.80 | 5.72 |
| Provision for employee benefits | 0.72 | 0.27 | 0.08 |
| Deferred tax assets (net) | 7.28 | 7.84 | 7.57 |

(For movements during the year Refer Note 27)

8 Other assets

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|---|---------------|---------------|--------------|
| Current | | | |
| Advances to suppliers | | | |
| - Related parties (refer note 35) | 7.13 | 10.21 | 24.21 |
| - Others | 2.72 | 0.01 | 0.27 |
| Prepaid expenses | 0.34 | 0.12 | 0.08 |
| Balance with statutory/government authorities | 0.22 | 1.26 | 0.52 |
| | 10.41 | 11.60 | 25.08 |

9 Non current tax assets

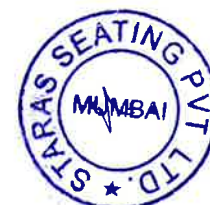
| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|-------------------------|---------------|---------------|--------------|
| Taxes paid | 13.42 | - | 1.51 |
| Less: Provision for tax | (13.34) | - | - |
| | 0.08 | - | 1.51 |

10 Inventories (at lower of cost and net realisable value)

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|----------------|---------------|---------------|--------------|
| Stock in trade | 63.04 | 51.28 | 30.33 |
| | 63.04 | 51.28 | 30.33 |

11 Trade Receivables

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|---|---------------|---------------|--------------|
| (Unsecured, considered good unless otherwise stated) | | | |
| Considered Good | 2.13 | 4.94 | 2.23 |
| Unsecured, considered doubtful | | | |
| Credit impaired | 0.10 | 0.03 | 0.05 |
| Less: Allowance for credit loss | (0.10) | (0.03) | (0.05) |
| | - | - | - |
| | 2.13 | 4.94 | 2.23 |



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A. Trade receivable ageing schedule for the year ended as on 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---|--|-------------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables- considered good | 2.00 | 0.13 | - | - | 2.13 |
| Undisputed trade receivables- increase in credit risk | - | - | - | - | - |
| Undisputed trade receivables-credit impaired | - | 0.10 | - | - | 0.10 |
| Disputed trade receivables- considered good | - | - | - | - | - |
| Disputed trade receivables- credit impaired | - | - | - | - | - |
| Total | 2.00 | 0.23 | - | - | 2.23 |
| Less: Allowance for credit loss | - | (0.10) | - | - | (0.10) |
| Total trade receivable as at 31 March 2023 | 2.00 | 0.13 | - | - | 2.13 |

B. Trade receivable ageing schedule for the year ended as on 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---|--|-------------|-----------|-------------------|-------------|
| | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables- considered good | 4.94 | - | - | - | 4.94 |
| Undisputed trade receivables- increase in credit risk | - | - | - | - | - |
| Undisputed trade receivables-credit impaired | - | 0.03 | - | - | 0.03 |
| Disputed trade receivables- considered good | - | - | - | - | - |
| Disputed trade receivables- credit impaired | - | - | - | - | - |
| Total | 4.94 | 0.03 | - | - | 4.97 |
| Less: Allowance for credit loss | - | (0.03) | - | - | (0.03) |
| Total trade receivable as at 31 March 2022 | 4.94 | - | - | - | 4.94 |

C. Trade receivable ageing schedule for the year ended as on 1 April 2021

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---|--|-------------|-----------|-------------------|-------------|
| | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables- considered good | 2.23 | - | - | - | 2.23 |
| Undisputed trade receivables- increase in credit risk | - | - | - | - | - |
| Undisputed trade receivables-credit impaired | - | 0.05 | - | - | 0.05 |
| Disputed trade receivables- considered good | - | - | - | - | - |
| Disputed trade receivables- credit impaired | - | - | - | - | - |
| Total | 2.23 | 0.05 | - | - | 2.28 |
| Less: Allowance for credit loss | - | (0.05) | - | - | (0.05) |
| Total trade receivable as at 1st April 2021 | 2.23 | - | - | - | 2.23 |

Note:

Movement in credit loss allowance:

| Particulars | 31 March 2023 | 31 March 2022 |
|---------------------------------------|---------------|---------------|
| Balance at the beginning of the year | 0.03 | 0.05 |
| Change in provision during the year | 0.07 | (0.02) |
| Balance at the end of the year | 0.10 | 0.03 |

12 Cash and cash equivalents

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|----------------------------|---------------|---------------|--------------|
| Cash on hand | 0.02 | 0.02 | 0.02 |
| Balances with banks | | | |
| -On current accounts | 22.07 | 18.25 | 15.71 |
| | 22.09 | 18.27 | 15.73 |



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13 Equity share capital

| 13.1 Particulars | 31 March 2023 | | 31 March 2022 | | 1 April 2021 | |
|--|---------------|--------|---------------|--------|---------------|--------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| Authorized share capital 1,01,000 (Previous year: 1,01,000) Equity shares of ₹ 100/- each | | | 10,10 | 10.10 | 10,10 | 10.10 |
| Issued, subscribed and fully paid-up Equity Shares 1,01,000 (Previous year: 1,01,000) Equity shares of ₹ 100/- each | | | 10,10 | 10.10 | 10,10 | 10.10 |
| | | | 10,10 | 10.10 | 10,10 | 10.10 |

13.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

| Particulars | 31 March 2023 | | 31 March 2022 | | 1 April 2021 | |
|------------------------------|---------------|--------|---------------|--------|---------------|--------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the year | 1,01,000.00 | 10.10 | 1,01,000.00 | 10.10 | 1,01,000.00 | 10.10 |
| Issued during the year | - | - | - | - | - | - |
| Total | 1,01,000.00 | 10.10 | 1,01,000.00 | 10.10 | 1,01,000.00 | 10.10 |

13.3 Details of shareholders holding more than 5% shares in the company.

| Particulars | 31 March 2023 | | 31 March 2022 | | 1 April 2021 | |
|---|---------------|--------------|---------------|--------------|---------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Equity Shares of Rs. 10/- each fully paid up | 1,01,000.00 | 100.00% | 1,01,000.00 | 100.00% | 1,01,000.00 | 100.00% |
| Stanley Retail Limited, Holding Company | 1,01,000.00 | 100.00% | 1,01,000.00 | 100.00% | 1,01,000.00 | 100.00% |

13.4 Details of shares held by the promoters at the end of the year.

| Promoter name | 31 March 2023 | | 31 March 2022 | | 1 April 2021 | |
|--|---------------|--------------------------|---------------|-------------------|---------------|--------------------------|
| | No. of shares | % change during the year | No. of shares | % of total shares | No. of shares | % change during the year |
| Stanley Retail Limited, Holding Company | 1,01,000 | - | 1,01,000.00 | 100.00% | 1,01,000.00 | 100.00% |

13.5 Rights, preferences and restrictions

The Company has only one class of equity share having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13.6 Share allotted as fully paid up by way of other than cash during five year immediately preceding March 31 2023.

For the period of five years immediately preceding the Balance Sheet date, there are no shares allotted as fully paid up pursuant to contract(s) without payment being received in cash or shares allotted as fully paid up by way of bonus shares or shares bought back.



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14 Other equity

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|---|---------------|---------------|--------------|
| Retained earnings | | | |
| Balance at the beginning of the year | 70.74 | 40.96 | 58.90 |
| Additions/(deletions) during the year | 19.96 | 29.78 | (17.94) |
| Balance at the end of the year | 90.70 | 70.74 | 40.96 |
| Other comprehensive income | | | |
| Balance at the beginning of the year | 0.14 | - | - |
| Additions/(deletions) during the year | (0.55) | 0.14 | - |
| Balance at the end of the year | (0.41) | 0.14 | - |
| Capital contribution | | | |
| Balance at the beginning of the year | - | - | - |
| Additions/(deletions) during the year (refer note 37) | 0.69 | - | - |
| Balance at the end of the year | 0.69 | - | - |
| Total equity | 90.98 | 70.88 | 40.96 |

Retained Earnings

Retained Earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

Other comprehensive income

Other comprehensive income represents the remeasurement of defined benefit plans.

Capital contribution

The amount pertains to contribution by Ultimate holding company towards share options granted to its employees for which the Company does not have an obligation to settle the transaction with its employees. Therefore, the Company has recognised corresponding increase in Equity as contribution from Ultimate Holding Company.



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| 15 Provisions | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|---|---------------|---------------|--------------|
| Particulars | | | |
| Provision for employee benefits | 2.24 | 1.36 | 1.26 |
| Gratuity (refer note no 33) | | | |
| | 2.24 | 1.36 | 1.26 |
| Current | | | |
| Provision for employee benefits | 0.18 | 0.14 | 0.11 |
| Gratuity (refer note no 33) | 0.43 | - | - |
| Compensated absences (refer note no 33) | | | |
| | 0.61 | 0.14 | 0.11 |

| 16 Trade payables | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|--|---------------|---------------|--------------|
| Particulars | | | |
| Trade payables | | | |
| Dues to micro and small enterprises (refer note 38) | - | - | - |
| Dues to creditors other than micro and small enterprises | 4.60 | 0.26 | 0.30 |
| - related parties (refer note 35) | 12.31 | 3.89 | 3.64 |
| - others | | | |
| | 16.91 | 4.15 | 3.94 |

A. Trade payables ageing schedule for the year ended as on 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|------------------|-----------|-----------|-------------------|--------------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed dues to micro and small enterprises | - | - | - | - | - | - |
| Undisputed dues to creditors other than micro and small enterprises | 1.64 | 15.27 | - | - | - | 16.91 |
| Disputed dues to micro and small enterprises | - | - | - | - | - | - |
| Disputed dues to creditors other than micro and small enterprises | - | - | - | - | - | - |
| Total trade payable as at 31 March 2023 | 1.64 | 15.27 | - | - | - | 16.91 |

B. Trade payables ageing schedule for the year ended as on 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|------------------|-----------|-----------|-------------------|-------------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed dues to micro and small enterprises | - | - | - | - | - | - |
| Undisputed dues to creditors other than micro and small enterprises | 2.26 | 1.89 | - | - | - | 4.15 |
| Disputed dues to micro and small enterprises | - | - | - | - | - | - |
| Disputed dues to creditors other than micro and small enterprises | - | - | - | - | - | - |
| Total trade payable as at 31 March 2022 | 2.26 | 1.89 | - | - | - | 4.15 |

C. Trade payables ageing schedule for the year ended as on 1 April 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|------------------|-----------|-----------|-------------------|-------------|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed dues to micro and small enterprises | - | - | - | - | - | - |
| Undisputed dues to creditors other than micro and small enterprises | 2.45 | 1.49 | - | - | - | 3.94 |
| Disputed dues to micro and small enterprises | - | - | - | - | - | - |
| Disputed dues to creditors other than micro and small enterprises | - | - | - | - | - | - |
| Total trade payable as at 1 April 2021 | 2.45 | 1.49 | - | - | - | 3.94 |

Note

a) For information required to be furnished as per Section 22 of the Micro, small, and medium Enterprises Development Act 2006 (MSMED Act) and schedule III of the Companies Act, 2013

b) Trade payable are payable in respect of the amount due on account of goods purchased or services received in the normal course of business



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Notes to financial statements for the year ended 31 March 2023

(All amounts are Indian Millions except for share information or as otherwise stated)

17 Other current liabilities

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|------------------------|---------------|---------------|--------------|
| Advance from customers | 33.55 | 23.79 | 16.85 |
| Statutory dues | - | 3.69 | 2.86 |
| | 33.55 | 27.48 | 19.71 |

18 Current tax liabilities (net)

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|----------------------------|---------------|---------------|--------------|
| Provision for income taxes | - | 10.42 | 3.07 |
| Less: Taxes paid | - | (9.69) | (0.05) |
| Total | - | 0.73 | 3.02 |

Current tax liabilities (net)

A. The major components of income tax expense for the year are as under :

Particulars

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| i. Tax expense recognized in the statement of profit and loss | | |
| Current Tax expense: | | |
| Current tax on profit for the year | 7.13 | 10.43 |
| Short/(Excess) Provision of tax relating to earlier years | (3.03) | 0.74 |
| Deferred Tax expense: | | |
| Deferred tax expenses | 0.74 | (0.32) |
| Total tax expense recognized in the Statement of Profit and Loss | 4.84 | 10.85 |
| ii. Tax expense recognized in other comprehensive income | | |
| Items that will not be reclassified to profit and loss | | |
| Re-measurement of defined benefit plan | 0.19 | (0.05) |
| Total tax expense recognized in other comprehensive income | 0.19 | (0.05) |
| Total tax expense | 4.65 | 10.90 |

B. Reconciliation of tax expense and the accounting profit for the year is under.

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Accounting Profit before income tax expenses | 24.80 | 40.63 |
| Enacted tax rate in India (%) | 25.17% | 25.17% |
| Expected income tax expense | 6.24 | 10.23 |
| Tax effect of : | | |
| - expenses that are not deductible in determining taxable profit | 1.45 | - |
| - tax relating to earlier years | (3.03) | 0.74 |
| - Others | (0.01) | (0.07) |
| Income tax expenses | 4.65 | 10.90 |
| Effective tax rate (%) | 30.96% | 25.00% |



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19 Revenue from operations

| Particulars | 31 March 2023 | 31 March 2022 |
|------------------------------------|---------------|---------------|
| a. Sale of products | | |
| - Related parties (refer note 35) | 0.61 | 0.03 |
| - Others | 287.45 | 235.10 |
| b. Other operating revenues | 1.30 | - |
| | 289.36 | 235.13 |

Reconciliation of amount of revenue recognised in Statement of Profit and Loss with contracted price:

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| i. Sale of Products | | |
| Contract Price | 288.06 | 235.13 |
| Revenue recognised | 288.06 | 235.13 |
| ii. Other operating revenue : | | |
| a. Commission income | 1.30 | - |
| iii. Contract balance: | | |
| a. Contract assets- Trade receivables(refer note 11) | 2.13 | 4.94 |
| b. Contract liabilities- Advance received from customers (refer note 17) | 33.55 | 23.79 |

Performance obligation

Information about the Company's performance obligations are summarised below:

Sales of product:

The performance obligation is satisfied upon delivery of the goods on to customer.

The customer pay's the transaction price equal to the cash selling price as per agreed credit terms which ranges from 0-180 days.

In some contracts, warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation. The performance obligation for the warranty service is satisfied over time.

Sale to related parties:

The performance obligation is satisfied upon delivery of the goods on to customer.

The customer pay's the transaction price equal to the cash selling price as per agreed credit terms.

20 Other income

| Particulars | 31 March 2023 | 31 March 2022 |
|------------------------------------|---------------|---------------|
| Interest income on | | |
| - bank deposits | - | 0.34 |
| - unwinding of security deposit | 1.44 | 0.72 |
| Interest on income tax | 0.06 | 0.07 |
| Reversal of expected credit losses | - | 0.02 |
| | 1.50 | 1.15 |



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(All amounts are Indian Millions except for share information or as otherwise stated)

21 Purchase of stock-in-trade

| Particulars | 31 March 2023 | 31 March 2022 |
|-----------------------------------|---------------|---------------|
| Stock in trade | | |
| - Related parties (refer note 35) | 168.10 | 160.62 |
| - Others | 7.37 | - |
| | 175.47 | 160.62 |

22 Change in inventories of stock in trade

| Particulars | 31 March 2023 | 31 March 2022 |
|---|----------------|----------------|
| Inventories at the end of the year | | |
| Finished goods (Traded) (refer note 10) | 63.04 | 51.28 |
| | 63.04 | 51.28 |
| Inventories at the beginning of the year | | |
| Finished goods (Traded) (refer note 10) | 51.28 | 30.33 |
| | 51.28 | 30.33 |
| | | |
| Total (Increase)/Decrease in stock | (11.76) | (20.95) |

23 Employee benefit expenses

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| Salaries, wages and bonus | 18.82 | 13.69 |
| Contribution to provident and other funds (refer note 33) | 0.64 | 0.51 |
| Gratuity (refer note 33) | 0.29 | 0.31 |
| Share based payment expense (refer note 37) | 0.69 | - |
| Staff welfare expenses | 0.79 | 0.42 |
| | 21.23 | 14.93 |

24 Finance costs

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Lease liabilities (refer note 32) | 9.36 | 5.94 |
| Borrowing cost on asset retirement obligations | 0.06 | 0.05 |
| | 9.42 | 5.99 |



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(All amounts are Indian Millions except for share information or as otherwise stated)

25 Depreciation and amortisation expenses

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Depreciation of property, plant and equipment (refer note 4) | 3.92 | 1.77 |
| Depreciation on right-of-use assets (refer note 5) | 27.89 | 15.15 |
| | 31.81 | 16.92 |

26 Other expenses

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Advertisement and business promotion | 8.50 | 1.77 |
| Rent including lease rentals (refer note 32) | 2.99 | 1.62 |
| Carriage outwards | 4.55 | 2.33 |
| Power and fuel | 2.73 | 1.37 |
| Travelling and conveyance | 1.30 | 0.82 |
| Repairs and maintenance | | |
| -Others | 0.89 | 0.49 |
| Legal and professional charges | 2.22 | 0.22 |
| Rates and taxes | 5.37 | 0.57 |
| Bank charges | 0.94 | 0.78 |
| Security charges | 0.92 | 0.02 |
| Communication expenses | 0.06 | 0.04 |
| Insurance expenses | 0.19 | - |
| Sales commission | 4.64 | 5.23 |
| Provision for credit losses | 0.07 | - |
| Payments to the auditors (Refer note below) | 0.40 | 0.12 |
| Printing and stationery | 0.05 | 0.02 |
| Cross charge expense (refer note 35) | 1.99 | 1.76 |
| Miscellaneous expenses | 2.08 | 0.98 |
| | 39.89 | 18.14 |

Note:

Audit remuneration (net of GST credit)

- statutory audit fees

- reimbursement of expenses

31 March 2023

31 March 2022

0.39

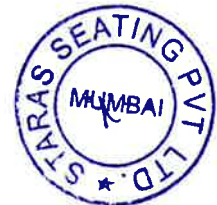
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(All amounts are Indian Millions except for share information or as otherwise stated)

27 Deferred tax

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at 31 March 2023

| Particulars | As at 31 March, 2022 | Recognized/ reversed through profit and loss | Recognized in other comprehensive income | As at 31 March, 2023 |
|------------------------------------|----------------------|--|--|----------------------|
| Deferred tax assets | | | | |
| Property plant and equipment | 0.79 | (0.24) | - | 0.55 |
| Provision for bonus | 0.97 | (0.84) | - | 0.13 |
| Provision for expected credit loss | 0.01 | 0.02 | - | 0.03 |
| Lease liabilities (net) | 5.80 | 0.05 | - | 5.85 |
| Provision for employee benefits | 0.27 | 0.26 | 0.19 | 0.72 |
| Total | 7.84 | (0.75) | 0.19 | 7.28 |

As at 31 March 2022

| Particulars | As at 01 April 2021 | Recognized/ reversed through profit and loss | Recognized in other comprehensive income | As at 31 March 2022 |
|------------------------------------|---------------------|--|--|---------------------|
| Deferred tax assets | | | | |
| Property plant and equipment | 0.80 | (0.01) | - | 0.79 |
| Provision for bonus | 0.96 | 0.01 | - | 0.97 |
| Provision for expected credit loss | 0.01 | (0.00) | - | 0.01 |
| Lease liabilities (net) | 5.72 | 0.08 | - | 5.80 |
| Provision for employee benefits | 0.08 | 0.24 | (0.05) | 0.27 |
| Total | 7.57 | 0.32 | (0.05) | 7.84 |



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Notes to financial statements for the year ended 31 March 2023

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28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**Risk management framework**

The Board of Directors of the Company have the overall responsibility for the establishment and oversight of their risk management framework. The Company has in place a Risk management framework to identify, evaluate business risks and challenges across the Company. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. These risks include foreign currency risk, credit risk, liquidity risk and interest rate risk.

Foreign currency risk management

The Company's functional currency in Indian Rupees (INR). Volatility in exchange rate of foreign currencies affects the cost of imports, primarily in relation to raw materials.

During the current year there are no exports and imports by the Company

Commodity price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

Credit risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company is exposed to credit risk from its operating activities mainly trade receivables. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The provision for expected credit losses has been historically less. The assessment is done at regular intervals and allowance for credit losses as at 31 March 2023, 31 March 2022 and 31 March 2021 is considered to be adequate.

| Particulars | 31 March 2023 | | 31 March 2022 | | 1 April 2021 | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | Less than 1 year | More than 1 year | Less than 1 year | More than 1 year | Less than 1 year | More than 1 year |
| Gross carrying amount | 2.00 | 0.23 | 4.94 | 0.03 | 2.23 | 0.05 |
| Less : Expected credit loss at simplified approach | - | (0.10) | - | (0.03) | - | (0.05) |
| Carrying amount of trade receivables (net of ECL) | 2.00 | 0.13 | 4.94 | - | 2.23 | - |

Movement in allowance for bad and doubtful debts:

| Particulars | Amount |
|--------------------------|--------|
| As at 1 April 2021 | 0.05 |
| Movement during the year | (0.02) |
| As at 31 March 2022 | 0.03 |
| Movement during the year | 0.07 |
| As at 31 March 2023 | 0.10 |



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Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Ultimate responsibility for managing the liquidity risk rests with the management, which has established an appropriate liquidity risk management framework for managing the Company's short-term, medium-term and long-term funding. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short-term and long-term cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2023

| Financial liabilities | Due within (years) | | | Total |
|-------------------------------|--------------------|-------------|----------|-------|
| | Less than 1 year | 1 - 3 years | 3+ years | |
| Trade payable (refer note 16) | 16.91 | - | - | 16.91 |
| | 16.91 | - | - | 16.91 |

As at 31 March 2022

| Financial liabilities | Due within (years) | | | Total |
|-------------------------------|--------------------|-------------|----------|-------|
| | Less than 1 year | 1 - 3 years | 3+ years | |
| Trade payable (refer note 16) | 4.15 | - | - | 4.15 |
| | 4.15 | - | - | 4.15 |

As at 1 April 2021

| Financial liabilities | Due within (years) | | | Total |
|-------------------------------|--------------------|-------------|----------|-------|
| | Less than 1 year | 1 - 3 years | 3+ years | |
| Trade payable (refer note 16) | 3.94 | - | - | 3.94 |
| | 3.94 | - | - | 3.94 |

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 is exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees at floating rates of interest.

29 CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder's wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|---|----------------|----------------|----------------|
| Borrowings (Including current maturities) | - | - | - |
| Less: | | | |
| Cash and cash equivalents (refer note 12) | 22.09 | 18.27 | 15.73 |
| Net debt | (22.09) | (18.27) | (15.73) |
| Total equity | 101.08 | 80.98 | 51.06 |
| Capital gearing ratio | (0.22) | (0.23) | (0.31) |



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30 Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Financial instruments by category and hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:

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

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values.

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

| Particulars | Level | 31 March 2023 | | | |
|--|-------|----------------|-----------------------------------|----------------------|------------------|
| | | Amortised Cost | Fair value through profit or loss | Total carrying value | Total fair value |
| Financial assets | | | | | |
| (a) Trade receivables (refer note 11) | 3 | 2.13 | - | 2.13 | 2.13 |
| (b) Cash and cash equivalents (refer note 12) | 3 | 22.09 | - | 22.09 | 22.09 |
| (c) Other financial assets (refer note 6) | 3 | 17.39 | - | 17.39 | 17.39 |
| Total | | 41.61 | - | 41.61 | 41.61 |
| Financial liabilities | | | | | |
| (a) Trade payables (refer note 16) | 3 | 16.91 | - | 16.91 | 16.91 |
| (b) Lease liabilities (refer note 32) | 3 | 92.05 | - | 92.05 | 92.05 |
| (c) Asset retirement obligation (refer note 4.1) | 3 | 0.65 | - | 0.65 | 0.65 |
| Total | | 109.61 | - | 109.61 | 109.61 |



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| Particulars | Level | 31 March 2022 | | | |
|--|-------|----------------|-----------------------------------|----------------------|------------------|
| | | Amortised Cost | Fair value through profit or loss | Total carrying value | Total fair value |
| Financial assets | | | | | |
| (a) Trade receivables (refer note 11) | 3 | 4.94 | - | 4.94 | 4.94 |
| (b) Cash and cash equivalents (refer note 12) | 3 | 18.27 | - | 18.27 | 18.27 |
| (c) Other financial assets (refer note 6) | 3 | 15.98 | - | 15.98 | 15.98 |
| Total | | 39.19 | - | 39.19 | 39.19 |
| Financial liabilities | | | | | |
| (a) Trade payables (refer note 16) | 3 | 4.15 | - | 4.15 | 4.15 |
| (b) Lease liabilities (refer note 32) | 3 | 118.34 | - | 118.34 | 118.34 |
| (c) Asset retirement obligation (refer note 4.1) | 3 | 0.60 | - | 0.60 | 0.60 |
| Total | | 123.09 | - | 123.09 | 123.09 |

| Particulars | Level | 1 April 2021 | | | |
|--|-------|----------------|-----------------------------------|----------------------|------------------|
| | | Amortised Cost | Fair value through profit or loss | Total carrying value | Total fair value |
| Financial assets | | | | | |
| (a) Trade receivables (refer note 11) | 3 | 2.23 | - | 2.23 | 2.23 |
| (b) Cash and cash equivalents (refer note 12) | 3 | 15.73 | - | 15.73 | 15.73 |
| (c) Other financial assets (refer note 6) | 3 | 7.19 | - | 7.19 | 7.19 |
| Total | | 25.15 | - | 25.15 | 25.15 |
| Financial liabilities | | | | | |
| (a) Trade payables (refer note 16) | 3 | 3.94 | - | 3.94 | 3.94 |
| (b) Lease liabilities (refer note 32) | 3 | 67.33 | - | 67.33 | 67.33 |
| (c) Asset retirement obligation (refer note 4.1) | 3 | 0.55 | - | 0.55 | 0.55 |
| Total | | 71.82 | - | 71.82 | 71.82 |

Note:

The Company as not disclosed the fair value for of trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, lease liabilities, trade payables and other financial liabilities because their carrying amounts are the approximation of fair values.



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31 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2023, are the first, the Company have prepared in accordance with Ind AS. For the periods upto 31 March 2022, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Amendment thereof ('Indian GAAP' or 'previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ended 31 March 2023, together with the comparative period data as at and for the year ended 31 March 2022, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2021, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2021 and the financial statements as at and for the year ended 31 March 2022.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following material exemptions:

Derecognition of financial assets and financial liabilities

The Company has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. after 1 April 2021.

Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind AS, the Company has determined that there will be significant increase in credit risk since the initial recognition of a financial instrument which would require undue cost or effort. The Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

Optional exemptions:

Deemed cost - Previous GAAP carrying amount: (Property, plant and equipment)

The Company has elected to avail exemption under Ind AS 101 to use India GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment and intangible assets as per the balance sheet prepared in accordance with previous GAAP.

Leases

Appendix C of Ind AS 116 requires an entity to assess whether a contract of arrangement contains a lease. This assessment should be carried out at the inception of the contract or arrangement. The Company has not used the Ind AS 101 exemption and has assessed all the arrangements for embedded leases based on the conditions in place at the inception of the contract or arrangement.

Fair value measurement of financial assets or financial liabilities

In accordance with paragraph D20 of Ind AS 101, the Company has applied day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS.



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(All amounts are Indian Millions except for share information or as otherwise stated)

31 FIRST-TIME ADOPTION OF IND AS

Effect of Ind AS adoption on the Balance Sheet as at 31 March 2022 and 1 April 2021:

| Particulars | Note | As at 1 April 2021 (Date of transition) | | | As at 31 March 2022 (End of last period presented under previous GAAP) | | |
|---|--------|--|---------------------------------|----------------------|---|---------------------------------|----------------------|
| | | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS |
| ASSETS | | | | | | | |
| Non-current assets | | | | | | | |
| Property, plant and equipment | D | 9.75 | - | 9.75 | 21.98 | - | 21.98 |
| Right of use assets | | - | 47.59 | 47.59 | - | 101.89 | 101.89 |
| Financial assets | | | | | | | |
| Other financial assets | D & F | - | 7.19 | 7.19 | - | 15.35 | 15.35 |
| Non current tax assets | F | - | 1.51 | 1.51 | - | - | - |
| Deferred tax assets | C | 1.85 | 5.72 | 7.57 | 1.81 | 6.03 | 7.84 |
| Other non-current assets | F | 9.63 | (9.63) | - | 21.95 | (21.95) | - |
| Current assets | | | | | | | |
| Inventories | | 30.33 | - | 30.33 | 51.28 | - | 51.28 |
| Financial assets | | | | | | | |
| Trade receivables | B | 2.28 | (0.05) | 2.23 | 4.97 | (0.03) | 4.94 |
| Cash and cash equivalents | | 15.73 | - | 15.73 | 18.27 | - | 18.27 |
| Other financial assets | | - | - | - | 0.03 | 0.60 | 0.63 |
| Other current assets | | 25.08 | - | 25.08 | 11.60 | - | 11.60 |
| Total Assets | | 94.65 | 52.33 | 146.98 | 131.89 | 101.89 | 233.78 |
| EQUITY AND LIABILITIES | | | | | | | |
| Equity | | | | | | | |
| Equity share capital | | 10.10 | - | 10.10 | 10.10 | - | 10.10 |
| Other equity | A to H | 58.91 | (17.95) | 40.96 | 88.79 | (17.91) | 70.88 |
| Liabilities | | | | | | | |
| Non-current liabilities | | | | | | | |
| Financial liabilities | | | | | | | |
| Lease liabilities | D | - | 53.33 | 53.33 | - | 75.98 | 75.98 |
| Asset retirement obligation | D | - | 0.55 | 0.55 | - | 0.60 | 0.60 |
| Provisions | A | 0.49 | 0.77 | 1.26 | 0.64 | 0.72 | 1.36 |
| Current liabilities | | | | | | | |
| Financial liabilities | | | | | | | |
| Lease liabilities | D | - | 14.00 | 14.00 | - | 42.36 | 42.36 |
| Trade payables | | | | | | | |
| a) Dues to micro and small enterprises | | - | - | - | - | - | - |
| b) Dues to other than micro and small enterprises | | 3.94 | - | 3.94 | 4.15 | - | 4.15 |
| Provisions | A | 1.48 | (1.37) | 0.11 | 0.73 | (0.59) | 0.14 |
| Current Tax liabilities (Net) | F | - | 3.02 | 3.02 | - | 0.73 | 0.73 |
| Other current liabilities | | 19.73 | (0.02) | 19.71 | 27.48 | - | 27.48 |
| Total Equity and Liabilities | | 94.65 | 52.33 | 146.98 | 131.89 | 101.89 | 233.78 |



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(All amounts are Indian Millions except for share information or as otherwise stated)

Effect of Ind AS adoption on the total comprehensive income for the year ended 31 March 2022.

| Particulars | Note | Year ended 31 March 2022 | | |
|--|------|--------------------------|---------------------------------|----------------------|
| | | Amount as per IGAAP | Effects of Transition to Ind AS | Amount as per Ind AS |
| Income: | | | | |
| Revenue from operations | | 235.13 | - | 235.13 |
| Other income | D | 0.41 | 0.74 | 1.15 |
| Total income | | 235.54 | 0.74 | 236.28 |
| Expenses: | | | | |
| Purchases of Stock-in-Trade | | 160.62 | - | 160.62 |
| Changes in inventories of stock-in-trade | | (20.95) | - | (20.95) |
| Employee benefits expense | A | 14.76 | 0.17 | 14.93 |
| Finance costs | D | - | 5.99 | 5.99 |
| Depreciation and amortization | D | 1.77 | 15.15 | 16.92 |
| Other expenses | D | 38.18 | (20.04) | 18.14 |
| Total expenses | | 194.38 | 1.27 | 195.65 |
| Profit before tax | | 41.16 | (0.53) | 40.63 |
| Tax expenses: | | | | |
| i. Current tax | | 10.43 | - | 10.43 |
| ii. Deferred tax | C | 0.03 | 0.71 | 0.74 |
| iii. Tax relating to earlier years | | 0.74 | (1.06) | (0.32) |
| Total tax expense | | 11.20 | (0.35) | 10.85 |
| Profit after tax for the year | | 29.96 | (0.18) | 29.78 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to Statement of | | | | |
| a. Re-measurement on defined benefit plans | A | - | 0.19 | 0.19 |
| b. Income tax effect on above | C | - | (0.05) | (0.05) |
| Total other comprehensive income | | - | 0.14 | 0.14 |
| Total comprehensive income for the year | | 29.96 | (0.04) | 29.92 |

Reconciliation of total Equity as at 31 March 2022 and 1 April 2021 previously reported under IGAAP to Ind AS:

| Particulars | Note | 31 March 2022 | 1 April 2021 |
|---|------|----------------|----------------|
| Equity as per previous Indian GAAP | | 88.79 | 58.91 |
| Nature of Ind AS adjustments: | | | |
| Provision for expected credit loss | B | (0.03) | (0.05) |
| Effect on accounting of lease as per Ind AS 116 | D | (16.45) | (19.74) |
| Fair value of security deposit | D | (6.00) | (2.45) |
| Re-measurement on defined benefit plans | A | (0.86) | (0.88) |
| Assets retirement obligations | D | (0.60) | (0.55) |
| Deferred tax impact on above adjustment | C | 6.03 | 5.73 |
| Others | E | - | (0.01) |
| Total adjustment to equity | | (17.91) | (17.95) |
| Total equity under Ind-AS | | 70.88 | 40.96 |

Reconciliation of profit for the year ended 31 March 2022:

| Particulars | 31 March 2022 |
|---|---------------|
| Profit after tax as per IGAAP | 29.96 |
| Nature of Ind AS adjustments: | |
| Effect on accounting of lease as per Ind AS 116 | (1.04) |
| Assets retirement obligation | (0.06) |
| Fair value of security deposit | 0.74 |
| Re-measurement of define benefit obligation | (0.17) |
| Deferred tax impact on above adjustment | 0.35 |
| Total adjustment | (0.18) |
| Profit after tax as per Ind AS | 29.78 |
| Other comprehensive income | 0.14 |
| Total comprehensive income | 29.92 |



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A Defined Benefit Liabilities:

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the IGAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. There is no impact on the total equity.

B Trade receivables:

Under Indian GAAP, the Company had recognized provision on trade receivables based on the expectation of the Company. Under Ind AS, the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

C Deferred tax:

Under IGAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

D Right of use assets and lease liability:

Under IGAAP, the Company had recognized lease payments as indirect expenses under the Statement of Profit and Loss. Under Ind AS the Company has adopted full retrospective approach under Ind AS 116 and has recognised a right-of-use asset and a lease liability, net of deferred tax as at the lease commencement date. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease liability is measured at amortised cost using the effective interest method.

E Others:

Other adjustments on account of transition to Ind AS include reclassification of land lease classified as operating leases from property, plant and equipment to prepaid rentals, fair valuation of deposits and corresponding adjustments in revenue and expenses.

F Reclassification:

Other adjustments on account of transition to Ind AS include reclassification of items of assets, liabilities and taxes to appropriate line items of Ind-AS balance sheet prescribed under Schedule III to the Companies Act, 2013.

G Other comprehensive income:

Under Ind AS, all items of income and expense recognized in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes fair valuation of investment in equity shares and mutual fund, remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

H Statement of cash flows:

The Ind AS adjustment are either non cash adjustment or are reporting among the cash flow from operating, investing and financing activities. Consequently, Ind AS adoption has no impact as the net cash flow for the year ended 31 March 2022 as compared with the previous GAAP.



32 LEASES

Information on leases as per Ind AS 116 on "Leases":

- (a) Following are the changes in the carrying value of right of use assets :

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|-------------------------|------------------------|------------------------|
| Opening balance | 101.89 | 47.59 |
| Additions/modifications | - | 69.45 |
| Deletions/adjustments | - | - |
| Depreciation | (27.89) | (15.15) |
| Closing balance | 74.00 | 101.89 |

The aggregate depreciation is included under depreciation and amortisation expense in the Statement of Profit and Loss.

- (b) The following is the break-up of current and non-current lease liabilities:

| Particulars | 31 March 2023 | | 31 March 2022 | | 1 April 2021 | |
|-------------------|---------------|-------------|---------------|-------------|--------------|-------------|
| | Current | Non-Current | Current | Non-Current | Current | Non-Current |
| Lease liabilities | 27.88 | 64.17 | 42.36 | 75.98 | 14.00 | 53.33 |

- (c) The following is the movement in the lease liabilities for the year ended 31 March 2023, 31 March 2022 and 1 April 2021:

| Particulars | Lease liabilities |
|-------------------------------|-------------------|
| As at 1 April 2021 | 67.33 |
| Additions/modifications | 65.17 |
| Finance costs (refer note 24) | 5.94 |
| Lease rentals paid | (20.10) |
| Balance as at 31 March 2022 | 118.34 |
| Additions/modifications | - |
| Finance costs (refer note 24) | 9.36 |
| Lease rentals paid | (35.65) |
| Balance as at 31 March 2023 | 92.05 |

- (d) Rental expense recorded for short-term leases was Rs 2.99 million for the year ended 31 March 2023 (31 March 2022: Rs. 1.62 million).

- (e) The table provides details regarding contractual liabilities of lease liabilities as at 31 March 2023, 31 March 2022 and 1 April 2021 on an undiscounted basis:

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|--|---------------|---------------|--------------|
| Undiscounted future cash flows | | | |
| - Not later than 1 year | 34.67 | 35.65 | 19.50 |
| - Later than 1 year and not later than 5 years | 71.82 | 106.49 | 59.80 |
| - Later than 5 years | - | - | - |

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



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33 EMPLOYEE BENEFITS

a. Defined Contribution Plan

The Company's contribution to defined contribution plan has been recognized as expense in the Statement of Profit & Loss under the head employee benefit expense for the year are as under:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| Employer's Contribution to Provident Fund and Family Pension Fund | 0.53 | 0.39 |
| Employer's Contribution to Employees' State Insurance Scheme | 0.11 | 0.12 |
| | 0.64 | 0.51 |

b. Defined Benefit plan - Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per The Payment of Gratuity Act, 1972 and the Company's scheme applicable to the employee. The Company makes annual contributions to an Insurance managed fund to fund its gratuity liability. The Company operates single type of gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| i) Changes in present value of defined benefit obligation during the year: | | |
| Opening defined benefit obligation | 1.49 | 1.38 |
| Interest cost | 0.10 | 0.09 |
| Current service cost | 0.19 | 0.22 |
| Benefits paid directly from employer | (0.10) | - |
| Actuarial (gains)/losses on obligations | | |
| - due to change in demographic | - | - |
| - due to change in financial assumptions | (0.10) | (0.03) |
| - due to experience | 0.84 | (0.16) |
| Closing defined benefit obligation | 2.42 | 1.50 |

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| ii) Net (asset)/liability recognized in the Balance Sheet: | | |
| Present Value of Benefit Obligation at the end of the year | (2.42) | (1.50) |
| Net (asset)/liability recognized in the Balance Sheet | (2.42) | (1.50) |
| Net liability – current (refer note 15) | 0.18 | 0.14 |
| Net liability – non current (refer note 15) | 2.24 | 1.36 |

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| iii) Expenses recognized in the Statement of Profit and Loss for the year: | | |
| Current service cost | 0.19 | 0.22 |
| Net interest cost | 0.10 | 0.09 |
| Expenses recognized in the Statement of Profit and Loss | 0.29 | 0.31 |



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| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| iv) Recognized in Other Comprehensive Income for the year: | | |
| Actuarial (gains)/losses on obligations | - | - |
| - due to change in demographic | (0.10) | (0.03) |
| - due to change in financial assumptions | 0.84 | (0.16) |
| - due to experience | - | - |
| Return on plan assets, excluding interest income | - | - |
| Net (income)/expense for the period recognized in OCI | 0.74 | (0.19) |

| Particulars | 31 March 2023 | 31 March 2022 |
|----------------------------------|--|--|
| v) Actuarial assumptions: | | |
| Rate of discounting | 7.41% | 6.84% |
| Rate of salary increase | 10.00% | 10.00% |
| Mortality rate during employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |
| Rate of employee turnover | 10.00% | 10.00% |

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| vi) Maturity profile of defined benefit obligation: | | |
| 1st Following Year | 0.19 | 0.13 |
| 2nd Following Year | 0.20 | 0.15 |
| 3rd Following Year | 0.21 | 0.12 |
| 4th Following Year | 0.21 | 0.12 |
| 5th Following Year | 0.21 | 0.12 |
| Sum of years 6 to 10 | 1.17 | 0.73 |
| Sum of years 11 and above | 2.31 | 1.16 |

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| vii) Balance Sheet reconciliation: | | |
| Opening net liability | 1.49 | 1.38 |
| Expenses recognized in Statement of Profit or Loss | 0.29 | 0.31 |
| Expenses recognized in OCI | 0.74 | (0.19) |
| Benefit paid directly by the employer | (0.10) | - |
| Net liability/(asset) recognized in the Balance Sheet | 2.42 | 1.50 |

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| viii) Sensitivity analysis for significant assumptions is as below | | |
| Defined benefit obligation on current assumptions | 2.42 | 1.49 |
| Delta Effect of +1% Change in Rate of Discounting | (0.15) | (0.09) |
| Delta Effect of -1% Change in Rate of Discounting | 0.17 | 0.10 |
| Delta Effect of +1% Change in Rate of Salary Increase | 0.15 | 0.10 |
| Delta Effect of -1% Change in Rate of Salary Increase | (0.15) | (0.09) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (0.03) | (0.02) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 0.03 | 0.02 |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the Balance Sheet.

c. Compensated absences (Unfunded)

The defined benefit obligations which are provided for but not funded are as under:

| Particulars | 31 March 2023 | 31 March 2022 |
|----------------------|---------------|---------------|
| Compensated absences | | |
| -Current | 0.43 | - |
| -Non-current | - | - |
| | 0.43 | - |



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34 SEGMENT INFORMATION

The primary reporting of the Company has been made on the basis of Business Segments. The Company has a single business segment as defined in Indian Accounting Standard (Ind AS) 108 on Segment Reporting, namely business of manufacturing and trading of furniture and leather products. The Managing Director of the Company allocates and assess the performance of the Company and is the chief operating decision maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment need to be considered.

35 RELATED PARTY DISCLOSURES AS REQUIRED UNDER IND-AS 24, "RELATED PARTY DISCLOSURES", ARE GIVEN BELOW:

35.1 Details of related parties:

| Description of relationship | Names of related parties |
|---|---|
| Ultimate Holding Company | Stanley Lifestyles Limited |
| Holding Company | Stanley Retail Limited |
| Fellow Subsidiaries | Schock Home Interiors Limited Shrasta Décor Private Limited Sana Lifestyles Limited Seating world |
| Entities under common control | ABS Seating Private Limited Stanley Oem Sofas Limited |
| Key Management Personnel (KMP) | Mr. Sunil Suresh - Chief Executive Officer Ms. Shubha Sunil - Director Mr. Yusuf Merchant Abdullah - Director |
| Entities in which KMP / Relatives of KMP can exercise significant influence | Seating world |

35.2 Particulars of Transactions with Related parties during the year

| Particulars | Relationship | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|-------------------------------|-------------------------------------|-------------------------------------|
| Yusuf Merchant Abdullah Remuneration | Key Managerial Personnel | 3.96 | 3.25 |
| Stanley Lifestyles Limited Sales | Ultimate Holding company | - | 0.03 |
| Purchases | | 155.25 | 143.56 |
| Purchase of capital goods | | 14.70 | - |
| Stanley Retail Limited Purchase of capital goods | Holding company | 5.22 | - |
| Purchases | | 12.85 | 17.06 |
| Cross charge expense | | 1.99 | 1.76 |
| Reimbursement of expenses | | 5.00 | 0.52 |
| Other expense | | 0.11 | - |
| ABS Seating Private Limited Sales | Entities under common control | 0.61 | - |

35.3 Balances as at year end

| Particulars | Relationship | As at 31 March 2023 | As at 31 March 2022 | As at 1 April 2021 |
|--|-------------------------------|------------------------|------------------------|-----------------------|
| Yusuf Merchant Abdullah Salary Payable (part of trade payables) | Key Managerial Personnel | 0.33 | 0.26 | 0.30 |
| Stanley Lifestyles Limited Advances to suppliers | Ultimate Holding company | 6.57 | 6.54 | 24.07 |
| Stanley Retail Limited Trade Payables | Holding Company | 4.27 | - | - |
| Advance to suppliers | | - | 3.67 | 0.14 |
| Stanley Oem Sofas Limited Advances to suppliers | Entities under common control | 0.56 | - | - |

36 EARNINGS PER SHARE (EPS)

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

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| Profit after tax attributable to the equity shareholder (A) | 19.96 | 29.78 |
| Number of equity shares outstanding during the year (B) | 1,01,000.00 | 1,01,000.00 |
| Nominal value of per equity shares | 100.00 | 100.00 |
| Earning per share (A/B) - basic and diluted earnings per share | 19.76 | 29.49 |



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37 Employee Stock Options

Employee Stock Option Plan 2022 ("ESOP 2022")

Stanley Lifestyles Limited (Holding Company) established the Employee Stock Option Plan 2022 ("ESOP 2022") with effect from 30 September 2022 as approved vide Board Resolution dated 6 September 2022 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the options available for issuance under ESOP 2022 have been issued and exercised.

Pursuant to the ESOP 2022, the Holding Company has granted options to the employees of the Company, which would vest to the employees as per the terms of the Grant Letter.

| Stanley Lifestyle Stock Option Plan 2022 | |
|---|--|
| Particulars | |
| Date of grant | 16 November 2022 |
| No. of options granted | 4,353 |
| Method of settlement | Equity |
| Vesting period | Graded vesting over the period of 4 years from the date of grant |
| Exercise period | 4th years from the date of grant |
| Vesting conditions | Continues services and performance |
| Exercise price per option (Rs.) | Rs. 850 |
| Fair value of option as per Black Scholes model (Rs.) | Rs. 901 |

| Particulars | 31 March 2023 | 31 March 2022 |
|------------------------------------|---------------|---------------|
| Opening balance | - | - |
| Granted during the year | 4,353 | - |
| Forfeited during the year | - | - |
| Exercised during the year | - | - |
| Outstanding at the end of the year | 4,353 | - |

* Weighted average exercise price for options exercised during the year Rs. 10 (31 March 2022: Rs Nil)

Fair value of share options grant

The fair value of the share options granted is estimated at the grant date using the option pricing model (Black Scholes), taking into account the terms and conditions upon which the share options were granted.

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

| Particulars | 31 March 2023 |
|---|---------------|
| Exercise price of options granted during the year ended 31 March 2023 | Rs. 850 |
| Risk free rate of return | 7.32% |
| Life of the options granted (vesting and exercise period) in years | 4 years |
| Volatility | 16.06% |

Movement in stock options during the year

The expense recognised for employee services received during the year is shown in the following table:

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Expense arising from equity-settled share-based payment transactions | 0.69 | - |

38 Disclosures under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)"

| Particulars | 31 March 2023 | 31 March 2022 | 1 April 2021 |
|---|---------------|---------------|--------------|
| a The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | - | - | - |
| b The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | - | - | - |
| c 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 Micro and Small Enterprise Development Act, 2006; | - | - | - |
| d The amount of interest accrued and remaining unpaid at the end of each accounting year; | - | - | - |
| e The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section. | - | - | - |

* There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

39 Contingent liabilities and commitments (to the extent not provided for)

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | - | - |
| (ii) Commitments | - | - |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | - | - |



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40 Significant accounting ratios

| Particulars | Numerator | Denominator | 31 March 2023 | 31 March 2022 | % of change | Reason |
|----------------------------------|--|--------------------------------------|---------------|---------------|-------------|------------------------|
| Current ratio | Current assets | Current liabilities | 1.24 | 1.16 | 7% | - |
| Debt- equity ratio | Total debt ¹ | Shareholder's equity | 0.91 | 1.46 | -38% | Refer note (i) below |
| Debt- service coverage ratio | Earnings available for debt service ² | Debt service ³ | -1.72 | (2.62) | -34% | Refer note (i) below |
| Return on equity ratio | Net profits after taxes | Average shareholder's equity | 21.93% | 45.11% | -51% | Refer note (ii) below |
| Inventory turnover ratio | Cost of goods sold | Average inventory | 2.86 | 3.42 | -16% | - |
| Trade receivables turnover ratio | Revenue from operations ⁴ | Average trade receivable | 81.86 | 65.59 | 25% | Refer note (iii) below |
| Trade payables turnover ratio | Total purchase ⁵ | Average trade payables | 20.45 | 44.14 | -54% | Refer note (iv) below |
| Net capital turnover ratio | Revenue from operations ⁴ | Working capital ⁶ | 15.46 | 19.83 | -22% | Refer note (v) below |
| Net profit ratio | Net Profit after taxes | Revenue from operations ⁴ | 6.90% | 12.67% | -46% | Refer note (vi) below |
| Return on capital employed | Earning before interest and taxes | Capital employed ⁷ | 17.72% | 23.39% | -24% | - |
| Return on investment | Income generated from investments | Weighted average Investments | NA | NA | - | NA |

¹ Debt includes current and non current portion of lease liabilities.

² Earnings for debt service includes net profit after taxes and non-cash operating expenses like depreciation, profit/ loss on sale of property, plant

³ Debt service includes interest & lease payments.

⁴ Revenue from operations means gross credit sales after deducting sales return.

⁵ Total purchases means gross credit purchases after deducting purchase return. Gross credit purchases includes other expenses.

⁶ Working capital is calculated by deducting current liabilities from current assets.

⁷ Capital employed is calculated by Net worth + total debt + deferred tax liability - Intangible asset

Explanations for variances change more than 25%:

- (i) Decrease in debt of the Company during the year has resulted in movement in this ratio.
- (ii) Decrease in profit of the Company during the year has resulted in movement in this ratio.
- (iii) Increase in revenue and decrease in trade receivable of the Company during the year has resulted in movement in this ratio.
- (iv) Increase in trade payable of the Company during the year has resulted in movement in this ratio.
- (v) Increase in working capital of the Company during the year has resulted in movement in this ratio.
- (vi) Decrease in profit of the Company during the year has resulted in movement in this ratio.

41 As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Since the Company does not fall under the criteria mentioned in the Section 135(1) of the Companies Act, 2013 the CSR provisions are not applicable to the Company.

42 Other Statutory information

- (i) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (ii) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property
- (iii) The Company has not traded or invested in crypto currency or virtual currency during the financial period.
- (iv) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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).
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
- (vii) The Company does not have any transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

43 A) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (intermediaries) with the understanding that the Intermediary shall:
1) 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
2) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B) The Company has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

44 The Company has maintained proper books of account as required by law except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India.

45 The Company evaluated all events or transactions that occurred after 31 March 2023 up through 22 August 2023, the date the financial statements were authorized for issue by the Board of Directors. Based on this evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



For and on behalf of the Board of Directors
STARAS SEATING PRIVATE LIMITED

Sunil Suresh
Director
DIN: 01421517

Shobha Sunil
Director
DIN: 01363687



Place: Bengaluru
Date : 22 August 2023