BOARD OF DIRECTOR'S

Mr. Hari Om Rai, Chairman and Managing Director

Mr. Shailendra Nath Rai, Whole Time Director

Mr. Sunil Bhalla, Director

Mr. Vishal Sehgal, Director

Mr. Vinod Rai, Independent Director

Mr. Rahul Kansal, Independent Director

Ms. Chitra Gouri Lal, Independent Director

Mr. Vinod Shrama, Independent Director

CHIEF FINANCIAL OFFICER

Mr. Asitava Bose

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Naveen Kumar

STATUTORY AUDITORS

M/s ASA & Associates LLP, Chartered Accountants

DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to present the 13th Annual Report together with the audited Financial Statements for the year ended 31st March 2022.

1. FINANCIAL HIGHLIGHTS

The highlights of Standalone and Consolidate Financials result are as follows:

(Rs. in millions)

Particulars	Standalone		Consolidated	
	2021-22	**2020-21**	**2021-22**	**2020-21**
Revenue from Operations	18,222.36	16,166.82	58,776.45	55,128.74
Other Income	201.17	98.47	203.68	108.04
Total Revenue	18,423.53	16,265.29	58,980.13	55,236.78
Total Expense	17,356.47	15,234.87	55,539.75	52,724.63
Earnings before interest, tax, depreciation and amortization (EBIDTA)	1,067.06	1,030.42	3,440.38	2,512.15
Less: Depreciation and amortization expenses	194.83	226.51	967.14	390.37
Less : Finance Cost	308.17	285.09	441.17	285.76
Share of (profit)/loss of jointventure, associates (net of tax)	--	--	0.96	1.73
Profit before Tax (PBT)	564.06	518.82	2,031.11	1,834.29
Less : Current Tax	261.30	332.56	265.13	332.67

Less: Tax charge/(credit) relating to earlier years	(16.21)	(30.80)	(16.21)	(30.80)
Less : Deferred Tax charge/ (Income)	(86.52)	(197.34)	(86.47)	(193.66)
Profit for the year (PAT)	405.49	414.40	1,868.66	1,726.08
Other Comprehensive income/(Expense) (net of tax)	.05	1.23	(261.46)	165.87
Total Comprehensive income (net of tax)	405.44	413.17	2,130.12	1,560.21

2. OPERATIONS AND BUSINESS PERFORMANCE:

Standalone Performance:

The Company is in the business of Mobile phones, tablets and communication equipment.
During the year under review the Company has earned revenue from its operations of Rs. 18,222.36 Million, which is 12.7% higher as compared to previous year revenue from its operation of Rs. 16,166.82. However the profit before tax during the financial year 2021-22 stood at Rs. 564.06 Million as compared to previous year profit before tax of Rs. 518.82 Million.

Consolidated Performance

During the year under review the Company has earned revenue on consolidated basis from its operations of Rs. 58,776.45 Million, 6.6% higher as compared to previous year consolidated revenue of Rs. 55,128.74 Million. Further the profit before tax on consolidated basis during the financial year 2021-22 stood at Rs. 2,031.11 Million as compared to previous year profit before tax of Rs. 1,834.29 Million.

Pursuant to the Share Swap Agreement dated August 4, 2021 entered into amongst the Company, China Bird Centroamerica S.A., Clipper Global S.A., shareholders of Clipper Global S.A. and shareholders of the Company, the Company purchased 15,000 equity shares aggregating to 100% of the issued and paid-up share capital of China Bird Centroamerica S.A., on a fully diluted basis, from the Clipper Global S.A. for a consideration of USD 50.54 million.

On 16th September 2021, the Company had issued a total of 27,888,492 equity shares at a face value of Rs. 5 each (share premium of Rs. 128.25 each) to Clipper Global S.A., for acquisition of China Bird Centroamerica S.A. with 100% equity stake for a total purchase consideration of Rs. 3,716.14 millions. China Bird Centroamerica S.A. is engaged in the supply of mobile phones and telecommunication equipment.

3. CHANGE IN THE NATURE OF BUSINESS

During the year under review, there is no change in the nature of business of the Company.

4. DIVIDEND

The Company will be utilizing the funds for the current operations and as well as for upcoming projects, hence Board do not recommend any dividend for the financial year 2021-22.

5. TRANSFER TO RESERVES

During the year under review, no amount from the profit of the Company has been transferred to the General Reserve of the Company. However the Company has created Debenture Redemption Reserve of Rs. 25 Million during the Financial Year 2021-22

6. SHARE CAPITAL

Authorized Share Capital

The Authorized Share capital of your Company was increased from Rs. 1,530,000,000 (Rupees One Hundred Fifty Three Crore only) divided into (i) 147,900,000 equity shares of ₹ 10 each; (ii) 100,000 Preference Shares of ₹ 10 each; and (iii) 500,000 Preference Shares of ₹ 100 each to Rs. 3,961,000,000 (Rs. Three Hundred Ninety Six Crore Ten Lac only) divided into 391,000,000 equity shares of ₹ 10 each; (ii) 100,000 Preference Shares of ₹ 10 each; and (iii) 500,000 Preference Shares of ₹ 100 each in the Extra-ordinary General Meeting held on 28th June 2021.

Thereafter, pursuant to a resolution of the Board dated August 23, 2021 and Shareholders resolution dated September 10, 2021, the Company undertook a stock split of one existing equity share of Rs. 10 each into two fully paid up equity shares of Rs. 5 each. As a result of the above transaction, the authorized number of equity shares have been increased to 782,000,000 equity shares of the Company having a face value of Rs. 5 each from 391,000,000 Equity Shares of the Company having a face value of Rs. 10 each.

Further issue of Capital

The Company has made following allotments during the Financial Year 2021-22

1. Allotment of 13,50,844 equity shares of face value of Rs. 10 each on May 18, 2021 by way of Rights Issue
2. Allotment of 5,62,851 equity shares of face Value of Rs. 10 each on June 5, 2021 by way of Rights Issue
3. Allotment of 1,528,834 equity shares to UNIC Memory Technology (Hong Kong) Limited pursuant to conversion of 175,828 Preference Shares on August 9, 2021
4. Allotment of 25,66,18,862 equity shares of face Value Rs. 5 each on September 10, 2021 pursuant to Bonus issue of one Equity share for every one Equity share to shareholders holding equity shares of the Company as on the record date of September 8, 2021.
5. Allotment of 2,78,88,492 equity shares of face value Rs. 5 each on September 16, 2021 to Clipper Global S.A. for consideration other than cash on the preferential cum private placement basis pursuant to the approval of shareholders granted in the Extra Ordinary General Meeting held on 10th September 2021.

Pursuant to the above mentioned allotments and stock split of one existing equity share of Rs. 10 each into two fully paid up equity shares of Rs. 5 each, the paid up capital of the Company stood at Rs. 2,739,048,280 divided into 54,11,26,216 equity shares of Rs. 5 each and 1,00,000 Compulsory Convertible Preference Shares of Rs. 10 each and 3,24,172 Compulsory Convertible Preference shares of Rs. 100 each as at 31.03.2022.

7. ISSUE OF NON CONVERTIBLE DEBENTURES AND DETAILS OF DEBENTURE TRUSTEE

During the year under review, the Company has issued 250 Non-Convertible Debentures of Face Value of Rs. 10,00,000/-(Rupees Ten Lakhs) each for cash at par aggregating to Rs. 25,00,00,000/- (Twenty Five Crore only) on private placement basis on September 27, 2021.

Details of Debenture Trustee:

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29,
Senapati Bapat Marg, Dadar West,
Mumbai- 400 028

8. SUBSIDIARY COMPANIES

As at March 31, 2022, your Company had 9 direct subsidiaries (these 9 direct subsidiaries further had 26 direct/indirect subsidiaries), 1 Joint venture and 1 Associate Company.

A report on the performance and financial position of each of the direct subsidiaries, JVs and Associates has been provided in Form AOC-1 as per Section 129(2) of the Companies Act, 2013 (the Act) and is attached herewith as **Annexure-"A".**

Further, pursuant to the provisions of Section 136 of the Act, the audited financial statements including consolidated financial statements along with relevant documents of the Company and audited financial statements of the subsidiaries are available on the website of the Company https://www.lavamobiles.com/investor-relations/annual-reports.aspx

The policy for determining material subsidiaries of the Company has been provided in the following link https://www.lavamobiles.com/investor-relations/policy.aspx

9. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of the Company is comprised of eminent persons with proven competence and integrity. Besides the experience, strong financial acumen, strategic astuteness, and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation. As at March 31, 2022 the board of directors comprised of following:

1. Mr. Hari Om Rai, Chairman and Managing Director
2. Mr. Shailendra Nath Rai, Whole Time Director
3. Mr. Sunil Bhalla, Director
4. Mr. Vishal Sehgal, Director
5. Mr. Vinod Rai, Independent Director
6. Mr. Rahul Kansal, Independent Director
7. Ms. Chitra Gouri Lal, Independent Director
8. Mr. Vinod Shrama, Independent Director

Changes in Board

During the year under review, the Board has appointed Mr. Vinod Sharma as Additional Director (Independent Director) at their Board Meeting held on August 23, 2021. Further the appointment of Mr. Vinod Sharma, was approved by the Members at their Extra Ordinary General Meeting held on September 10, 2021.

Retire by Rotation

During the year under review Mr. Shailendra Rai having DIN: 00908417 and Mr. Sunil Bhalla having DIN: 00980040, Directors of the Company retired by rotation at the previous Annual General Meeting held on September 30, 2021.

Further in accordance with the provision of Section 152 of the Companies Act, 2013, read with the Articles of Association of the Company, Mr. Hari Om Rai – Chairman & Managing Director having DIN 01191443 and Mr. Vishal Sehgal – Director having DIN 03127049 will retire by rotation and being eligible to offers themselves for their re- appointment at the forthcoming Annual General Meeting of the Company.

Changes in Key Managerial Personnel

During the year under review Mr. Bharat Mishra resigned from the position of Company Secretary with effect from December 31, 2021. Consequent upon resignation of Mr. Bharat Mishra, the Board at its meeting held on January 12, 2022 appointed Mr. Naveen Kumar, an Associates member of Institute of Company Secretary of India having membership no. A46279 as Company Secretary & Compliance Officer of the Company.

After the closure of Financial Year 2021-22, Mr. Asitava Bose resigned with effect from July 18, 2022 from the position of Chief Financial Officer. Consequent upon his resignation, Mr. Nirav Girishbhai Raval was appointed as Chief Financial Officer (Key Managerial Personnel) of the Company with effect from July 18, 2022.

Thereafter Mr. Nirav Girishbhai Raval ceased to be Chief Financial Officer of the Company with effect from the opening hours of 3rd December 2022 and Mr. Asitava Bose was again appointed as Chief Financial Officer (Key Managerial Personnel) of the Company with effect from opening hours of December 3, 2022.

10. MEETINGS OF BOARD OF DIRECTORS

During the year under review, 13 (Thirteen) meetings of the Board of Directors were held. The intervening gap between two consecutive meetings was not more than the period prescribed under the Companies Act, 2013.
The Board meeting dates are as under:-

S. No.	Date of Meeting	Total Number of Directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1.	30.04.2021	7	4	57%
2.	18.05.2021	7	4	57%
3.	05.06.2021	7	5	71.42%
4.	15.07.2021	7	6	85.71%
5.	09.08.2021	7	4	57%
6.	23.08.2021	7	4	50%
7.	16.09.2021	8	5	62.5%
8.	18.09.2021	8	5	62.5%
9.	21.09.2021	8	4	50%
10.	27.09.2021	8	4	50%
11.	31.12.2021	8	3	37.5%
12.	12.01.2022	8	3	37.5%
13.	18.03.2022	8	4	50%

MEETINGS OF COMMITTEE'S

The Board of Directors of the Company had duly constituted the following Committees:-

A) AUDIT COMMITTEE

The Audit Committee was constituted by a resolution of the Board dated September 22, 2014, and was last reconstituted on January 12, 2022, in compliance with section 177 of the Companies Act, 2013. The Audit Committee currently consists of following members:

Sr. No.	Name of member	Designation
1	Mr. Rahul Kansal	Chairman
2	Mr. Hari Om Rai	Member
3	Mr. Vinod Rai	Member
4	Mr. Vinod Sharma	Member
5	Mr. Naveen Kumar	Secretary

Details of meeting of the members of the Audit Committee are as under: -

S. No.	Date of Meeting	Total Number of members associated as on the date of meeting	Attendance	
			Number of members attended	% of attendance
1.	01.04.2021	3	2	66%
2.	15.07.2021	3	2	66%
3.	18.09.2021	4	3	75%

B) NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Nomination, Remuneration and Compensation Committee was constituted by a resolution of the Board dated June 20, 2011, and was last reconstituted on August 23, 2021, in compliance with section 178 of the Companies Act, 2013. The Committee currently consists of following members.

Sr. No.	Name of member	Designation
1	Mr. Rahul Kansal	Chairman
2	Mr. Vinod Rai	Member
3	Mr. Vishal Sehgal	Member
4	Mrs. Chitra Gouri Lal	Member

Details of meeting of the members of the Nomination & Remuneration Committee are as under:-

S. No.	Date of Meeting	Total Number of members associated as on the date of meeting	Attendance	
			Number of members attended	% of attendance
1.	01.07.2021	4	2	50%
2.	23.08.2021	4	3	75%
3.	01.01.2022	4	2	50%
4.	12.01.2022	4	2	50%

C) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted by a resolution of the Board dated September 22, 2014, and was last reconstituted on August 23, 2021, in compliance with section 178 of the Companies Act, 2013. The Committee currently consists of following members:

Sr. No.	Name of member	Designation
1	Mr. Hari Om Rai	Chairman
2	Mr. Shailendra Rai	Member
3	Mr. Rahul Kansal	Member

Details of meeting of the members of the Corporate Social Responsibility Committee are as under:-

S. No.	Date of Meeting	Total Number of Directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1.	18.09.2021	3	3	100%
2.	04.03.2022	3	3	100%

D) INDEPENDENT DIRECTOR

During 2021-22, the Independent Directors of the Company met once on 15.07.2021 without the presence of Executive and Non-independent Directors under the Chairmanship of Mr. Rahul Kansal, Independent Director. All Independent Directors attended the meeting.

E) IPO COMMITTEE

The Board has also constituted an IPO Committee pursuant to a resolution dated May 18, 2021. During the Financial Year 2021-22, no meeting of IPO Committee was held.

The Committee currently consists of following members:

Sr. No.	Name of member	Designation
1	Mr. Hari Om Rai	Chairman
2	Mr. Shailendra Rai	Member
3	Mr. Sunil Bhalla	Member
4	Mr. Vishal Sehgal	Member

F) RISK MANAGEMENT COMMITTEE

The Risk Management Committee was constituted by a resolution of the Board dated July 24, 2017 and was last reconstituted post closure of the financial year under review on December 03, 2022. During The Financial Year 2021-22, no meeting of Risk Management Committee was held. The Committee currently consists of:

Sr. No.	Name of member	Designation
1	Mr. Hari Om Rai	Chairman
2	Mr. Shailendra Rai	Member
3	Mr. Vinod Sharma	Member
4	Mr. Sunil Raina	Member
5	Mr. Asitava Bose	Member

G) OPERATIONAL COMMITTEE

For operational convenience, the Board of directors of the Company had constituted Operational Committee with effect from 17th February 2020. The Committee currently consists of following members:

Sr. No.	Name of member	Designation
1	Mr. Hari Om Rai	Chairman
2	Mr. Shailendra Rai	Member
3	Mr. Sunil Bhalla	Member

The operational Committee met as and when required during the year under review.

11. ANNUAL RETURN

Pursuant to Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the F.Y. 2021-2022 shall be placed on the website of the Company at https://www.lavamobiles.com/investor-relations.aspx.

12. PUBLIC DEPOSITS

During the Financial Year 2021-22, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014

13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Company being an unlisted public Company, Section 197 of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable on the Company.

14. SECRETARIAL STANDARD

During the year 2021-2022, the Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

15. PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

The Companies Act, 2013 stipulate the evaluation of the performance of the Board, its Committees, Individual Directors and the Chairperson. The Company has formulated a Board Evaluation template for performance evaluation of the Independent Directors, the Board, its Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

The template provides the criteria for assessing the performance of Directors and comprises of various key areas such as attendance at Board and Committee Meetings, quality of contribution to Board discussions and decisions, strategic insights or inputs regarding future growth of the Company and its performance, ability to challenge views in a constructive manner, knowledge acquired regarding the Company’s business/ activities, understanding of industry and global trends, etc.

The evaluation involves self-evaluation by the Board Member and subsequent assessment by the Board of Directors. A member of the Board will not participate in the discussion of his/her evaluation. The formal Board evaluation as mandated under the Companies Act has been carried out during the year

16. STATUTORY AUDITORS AND STATUTORY AUDIT REPORT

During the year under review, M/s Suresh Surana & Associates LLP, Chartered Accountants (FRN: 121750W/W-100010), the then existing statutory auditors of the Company, resigned as Statutory auditor of the Company with effect from July 13, 2021.

To fill the casual vacancy caused by the resignation of M/s Suresh Surana & Associates LLP, Chartered Accountants, M/s ASA & Associates LLP, Chartered Accountants (FRN: 009571N/N500006), were appointed by the Board of Directors in their meeting held on 15th July 2021 and approved by shareholders in their extra ordinary general meeting held on September 10, 2021 to conduct the Statutory Audit for the Financial Year 2020-21.

Thereafter, at the 12th Annual General Meeting of the Company held on 30th September 2021, M/s ASA & Associates LLP, Chartered Accountants (FRN: 009571N/N500006) were appointed as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of the 12th Annual General Meeting till the conclusion of 17th Annual General Meeting to be held for the financial year 2025-26.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

The Auditors Report on the accounts of the company for the year under review is self-explanatory and requires no comments. There is no qualification/ reservation/ adverse remark or disclaimer in the Auditors' Report. The Audit Report is annexed with the financial statement of the Company.

17. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Kumar Wadhwa & Company, Company Secretaries were appointed as Secretarial Auditors for conducting the secretarial audit of the Company for the financial year 2021-22. The Secretarial Audit Report in form MR-3 is annexed herewith as "**Annexure-B**". The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

18. DISCLOSURE ABOUT COST AUDIT

As per the Cost Audit Orders, Cost Audit is applicable to the Company`s products/ business in respect of Electricals or Electronic Machinery (mobile phones, tablets and communication equipment) for financial year 2021-22.

In view of the same and in terms of the provisions of Section 138 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. MM & Associates, Cost Accountants were appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2021-22.

The Cost Audit Report for the year under review does not contain any qualifications, reservations, adverse remarks or disclaimers.

Your Board has appointed M/s. MM & Associates, Cost Accountants, as Cost Auditors of the Company for conducting cost audit for Financial Year 2022-23. A resolution seeking approval of the Members for ratifying the remuneration of Rs. 50,000/-(Rupees Fifty Thousand Only) plus applicable taxes, travel and actual out-of-pocket expenses payable to the Cost Auditors for Financial Year 2022-23 is provided in the Notice to the ensuing Annual General Meeting.

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and Investments under Section 186 of the Companies Act, 2013 have been disclosed in note no. 6, 7(a), and 7(b) of the standalone financial statements and note no. 6(a) and 6(b) of the consolidated financial statement for the financial year ended 31.03.2022.

20. TRANSACTIONS WITH RELATED PARTIES

During the year, none of the transactions with related parties came under the purview of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2021-22 and hence, does not form part of this report.

21. CORPORATE SOCIAL RESPONSIBILITY

As a socially responsible Company, LAVA is committed to increasing its Corporate Social Responsibility (CSR) impact with an aim of playing a bigger role in sustainable development of our society. In pursuit of this objective, a Corporate Social Responsibility (CSR) Committee had been formed by the Company which oversees the activities relating to activities supporting the social and environmental causes.

The Company has in place a Corporate Social Responsibility Policy pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

A brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-C** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

22. INSURANCE

All the properties of the Company, including stocks, where necessary, and to the extent required, have been adequately insured.

23. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls commensurate with nature and size of the business activity and with reference to the financial statements. The controls comprise of policies and procedures for ensuring orderly and efficient conduct of the Company's business, including adherence to its 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.

The internal financial control system is supplemented by internal audits. The Audit Committee of the Board of Directors reviews the reports of the Internal Auditors at its meeting(s).

24. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Directors' appointment and remuneration and other matters is available at the website of the Company and which can be accessed using https://www.lavamobiles.com/investor-relations/policy.aspx

25. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2021-22 to which the financial statements relate and the date of the report.

However, during the Financial Year 2021-22, in reference to the ongoing arbitration with UNIC Memory Technology (HK) Ltd. ("UNIC"), the Company, its promoters and UNIC entered into an agreement dated August 07, 2021 and in this respect, a consent award dated September 9, 2021 ('the Settlement Agreement"), was passed by the arbitral tribunal. Also, in relation to the proceedings under section 9 of the Arbitration and Conciliation Act, 1996, UNIC had filed a withdrawal application in the Delhi High Court and the same has been withdrawn through an order dated September 16, 2021.

26. DIRECTORS RESPONSIBILITY STATEMENT

As required under clause (c) of sub-section (3) of Section 134 of the Act, Directors, to the best of their knowledge and belief, state that:

a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
b. Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit and loss of the Company for the year ended March 31, 2022;
c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. The annual accounts have been prepared on a going concern basis;
e. Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
f. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo are set out in **Annexure – "D"** forming part of the report.

28. PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the period under review, the status of complaints received and cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is hereunder:

S. No.	Particulars	Remarks
1	Number of complaints of sexual harassment received in the year	Nil
2	Number of complaints disposed off during the year	Nil
3	Number of cases pending for more than 90 days	Nil
4	Number of workshops on awareness programs against sexual	Nil

	harassment conducted during the year	
5	Nature of action	NA

29. VIGIL MECHANISM POLICY

The Company has formulated and published a Whistle blower policy to provide whistle mechanism for employees including directors of the company to report the genuine concerns and ensure strict compliance with the ethical and legal standards across the Company in compliance with provision of section 177 (9) of the Companies Act, 2013. The same can be accessed at following web link: https://www.lavamobiles.com/investor-relations/policy.aspx

During the year, no complaint was received under the above mechanism

30. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has in place a Risk Management Policy for identification, assessment, measurement and reporting of business risks faced by the Company. The Risk Management Committee oversees the Risk Management framework. Risk Control and Mitigation mechanisms are tested for their effectiveness on regular intervals.

31. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

32. EMPLOYEE STOCK OPTION

Under the various ESOP Plan, a total of 4,91,61,554 numbers of stock options were outstanding at the end of the year under review. Details of options vested, exercised and cancelled are provided in note 36 to Financial statement and **Annexure –E** to this report.

33. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the period ended March 31, 2022, your Company has not made any one time settlement in respect any loan taken from Banks or Financial Institutions.

34. DETAILS OF PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the period ended March 31, 2022, neither any application is made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

35. LOANS FROM DIRECTOR

During the year under review the Company has not taken any loan from any director.

36. REMUNERATION TO DIRECTORS

During the year under review the Company has paid remuneration and sitting fees to the following directors as follows:

Sr. No.	Name of Director	Designation	Gross Remuneration	Sitting Fees
1	Hari Om Rai	Managing Director	Nil	Nil
2	Shailendra Rai	Whole time director	97,50,705	Nil
3	Vishal Sehgal	Director	Nil	Nil
4	Sunil Bhalla	Director	Nil	Nil
5	Rahul Kansal	Independent Director	Nil	5,60,000
6	Chitra Gouri Lal	Independent Director	Nil	4,20,000
7	Vinod Rai	Independent Director	Nil	9,00,000
8	Vinod Sharma	Independent Director	Nil	2,90,000

ACKNOWLEDGMENT

Your Directors acknowledge with gratitude the co–operation and support extended by Banks, Financial Institutions and various agencies of the Central Govt. and State Govt. Your Directors would also like to express appreciation to the external advisors and consultants of the company for their constant co-operation and cordial relations with the company during the period under review.

For and on behalf of the Board
For Lava International Limited

Place: Noida
Date: 05.12.2022

Sd /-
(Hari Om Rai)
Chairman
DIN – 01191443

Annexure – "A"

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/jointventures

Part "A": Subsidiaries

(Information in respect of each direct subsidiary presented with amounts in Rs. million)

Sl. No.	Particulars	Details					
1	**Name of the subsidiary**	*** Lava International(HK) Ltd.** (Console) **(Based in Hong Kong)**		**Lava Technologies DMCC. (Based in Dubai)**		**Xolo International (H.K.) Ltd. (Based in Hong Kong)**	
2	The date since when subsidiary was acquired	20/12/2010		20/02/2017		10/02/2015	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**NA**		**NA**		**NA**	
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	***HK $**	**Converted in Rs.**	***AED**	**Converted in Rs.**	***US $**	**Converted in Rs.**
5	Share capital	10.00	96.92	18.37	380.05	0.01	0.98
6	Reserves & surplus	435.53	4220.01	71.37	1476.30	14.68	1114.03
7	Total assets	552.68	5356.39	107.56	2225.01	28.41	2156.50
8	Total Liabilities	107.25	1039.42	17.82	368.66	13.72	1041.49
9	Investments	6.19	59.98	-	-	-	-
10	Turnover	1652.07	15813.04	453.59	9,206.68	169.55	12632.74
11	Profit before taxation	44.27	423.77	24.14	489.93	5.21	388.30
12	Provision for taxation	-	-	-	-	-	-
13	Profit after taxation	44.27	423.77	24.14	489.93	5.21	388.30
14	Proposed Dividend	-	-	-	-	-	-
15	Extent of shareholding	100%		100%		100%	

Sl. No.	Particulars				
1	**Name of the subsidiary**	**Lava Technologies LLC (Based in USA)**		**China Bird Centro America, S.A (Console) (Based in Panama)***	
2	The date since when subsidiary was acquired	14/05/2018		16/09/2021	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**NA**		**NA**	
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	**USD**	**INR**	***USD $**	**Converted in Rs.**
5	Share capital	0.40	30.36	16.35	1,240.86
6	Reserves & surplus	0.11	8.02	5.34	405.69
7	Total assets	0.52	39.51	46.36	3519.31
8	Total Liabilities	0.01	1.13	24.67	1872.76
9	Investments	-	-	12.29	933.14
10	Turnover	1.24	92.89	42.83	3191.43
11	Profit before taxation	0.02	1.63	3.00	223.20
12	Provision for taxation	0.00	0.34	0.04	3.35
13	Profit after taxation	0.02	1.29	2.95	219.85
14	Proposed Dividend	-	-	-	-
15	% of shareholding	100%		100%	

*China Bird Centro America, S.A became subsidiary of lava international w.e.f 16th September' 2021.

Sl. No.	Particulars	Details			
1	**Name of the subsidiary**	**Lava Enterprise Limited**	**Sojo Distribution Private Limited (SDPL)**	**Sojo ManufacturingServices Private Limited (SMSPL)**	**Sojo Manufacturing Services (AP) Private Limited (SMSAPPL)**
2	The date since when subsidiary was acquired	25/07/2016	27/05/2016	02/06/2016	27/05/2016
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**NA**	**NA**	**NA**	**NA**
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	**INR**	**INR.**	**INR**	**INR**
5	Share capital	52.50	0.10	22.20	39.60
6	Reserves & surplus	-1.29	-6.70	-1.36	-0.56
7	Total assets	51.41	16.67	31.27	40.11
8	Total Liabilities	0.20	23.27	10.43	1.06
9	Investments	50.43	-	11.84	0.20
10	Turnover	-	-	-	-
11	Profit before taxation	-0.09	-5.59	-0.03	0.34
12	Provision for taxation	-	-	-	0.10
13	Profit after taxation	-0.09	-5.59	-0.03	0.24
14	Proposed Dividend	-	-	-	-
15	% of shareholding	99.05%	90%	99.95%	99.97%

Notes:-

1) Reporting period for all the aforesaid entities are 31st March 2022
2) Closing Exchange Rate for balance sheet : HKD 1 = Rs. 9.691 ; AED 1=Rs.20.684; USD 1 = Rs. 75.91;
3) Average Exchange rate for Profit & loss a/c : HKD 1= Rs. 9.571 ; AED 1= Rs. 20.297; USD 1= Rs. 74.50

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies andJoint Ventures

Name of associates/Joint Ventures	MagicTel Solutions Pvt. Ltd.
1. Latest audited Balance Sheet Date	As at 31st March 2022
2. Date on which the Associate or Joint Venture was associated or acquired	17/12/2012
3. Shares of Associate/Joint Ventures held by thecompany on the year end	
- No.[1]	2500 shares of Rs. 10/- per share
- Amount of Investment in Associates/Joint Venture[1]	Rs. 25,000
- Extend of Holding% [1]	25%
4. Description of how there is significant influence	25% of shareholding is held by theCompany
5. Reason why the associate/joint venture is not consolidated	Not Applicable
6. Net worth attributable to shareholding as per latestaudited Balance Sheet	Rs. 13.07 million (25% is considered in consolidation of financial statement)
7. Profit for the year	
i. Considered in Consolidation	Rs. (0.92) million
ii. Not Considered in Consolidation	Nil

Notes:

1) Amount of investment in joint venture/associate is based on the carrying value of investments inthe standalone financial statements of venture/investor.

Name of associates/Joint Ventures	Yamuna Electronics Manufacturing Cluster Private Limited
1. Latest audited Balance Sheet Date	As at 31st March 2022
2. Date on which the Associate or Joint Venture was associated or acquired	02/02/2016
3. Shares of Associates/Joint Venture held by thecompany on the year end	
- No.[1]	6,227,939 shares of Rs. 10/- per share
- Amount of Investment in Associates/Joint Venture[1]	Rs. 62,279,390
- Extend of Holding%[1]	45.33% (effective holding)
4. Description of how there is significant influence	Through the shareholder agreement ofYamuna Electronics manufacturing cluster private limited.
5. Reason why the associate/joint venture is not consolidated	-
6. Net worth attributable to shareholding as per latestaudited Balance Sheet	Rs. 48.02 million (45.33% is considered inconsolidation of financial statement)
7. Loss for the year	
i. Considered in Consolidation	Rs. (0.04) million
ii. Not Considered in Consolidation	Nil

1) Effective holding of the Company has been considered for above information.
Amount of investment in joint venture/associate is based on the carrying value of investments in the standalone financial statements of venture/investor.

For and on behalf of the Board,
Lava International Limited

Sd/- **Hari Om Rai** Chairman & Managing Director (DIN-01191443)	**Sd/-** **Shailendra Nath Rai** Whole-Time Director (DIN-00908417)
Sd/- **Asitava Bose** Chief Financial Officer	**Sd/-** **Naveen Kumar** Company Secretary (M.NO- ACS 46279)

"Annexure-B"

FORM NO. MR-3
SECRETARIAL AUDIT
REPORT
FOR THE FINANCIAL YEAR ENDED 31st
MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
LAVA INTERNATIONAL LIMITED
Regd. Off: B-14, House 2, Basement, Shivlok Commercial Complex, Karampura, Delhi -110015.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S LAVA INTERNATIONAL LIMITED** having Corporate Identity Number **U32201DL2009PLC188920** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations made by the management and considering the relaxations granted by the ministry of corporate affairs warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March,2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and

External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during audit period);**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during audit period);**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **to the extent applicable;**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations.2021; **(Not Applicable to the Company during the Audit Period);**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and The Securities and Exchange Board of India (issue and Listing of Non-convertible Securities) Regulations, 2021: **(Not Applicable to the Company during the Audit Period);**

(f)The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **to the extent applicable**;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 read with The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021**(Not Applicable to the Company during the Audit Period);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during audit period)**

(vi) The Memorandum and Articles of Association.

(vii) A list of other laws applicable to Company is attached with this report as

Annexure B We have also examined compliance with the applicable

clauses/regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange/SEBI (Listing obligation and Disclosures Requirement) Regulations, 2015; **The Company has filed Draft offer document with Security Exchange Board of India (SEBI) on September 29, 2021.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

- We further report that the Company has, in my opinion, complied with the applicable provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and rules made there under along with the Memorandum and Articles of Association of the Company, with regard to;
- Maintenance of various statutory registers and documents and making necessary entries therein;
- Closure of the Register of Members.
- Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- Notice of Board Meetings and Committee Meetings of Directors;
- The Meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- The 12th Annual General Meeting held on **30th September, 2021.**
- Minutes of proceedings of General Meetings and of the Board and its Committee Meetings;
- Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors;
- Appointment and remuneration of Auditors;
- Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- Borrowings and registration, modification and satisfaction of charges wherever applicable;
- investment of the Company's funds including investments and loans to others;
- Form of Balance Sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- Directors' Report;
- Contracts, common seal, registered office and publication of name of the Company; and
- Generally, all other applicable provisions of the Act and the Rules made under the Act.

We further report that:

- The Board of Directors of the Company is duly constituted with optimum combination of Non- Executive Directors and Independent Directors and Woman Director. There are changes in the composition of the Board of Directors that took place during the financial year 2021-2022 as per the provision of the Companies Act, 2013.
- The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were as per the companies act, 2013 and secretarial standard issued by Institute of Company Secretary of India.
- Resolutions were passed at all the meetings by the requisite majority and there was no instances of the dissent which were required to be captured and recorded as part of the minutes.

We further report that

- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- During the audit period there was no specific event/ action has major impact on the affairs of the Company in pursuance of above referred laws, rules, regulations, guidelines, standards etc.
- This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

We further report that during the audit period the company has following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.: -

(i) Right/Preferential issue of shares / swap of Securities/ Conversion/Bonus Issue, etc.;

- The company has made the allotment of equity shares as per details mentioned below:-

S.N	**Date of Allotment**	**No of Equity shares**	**Face value**	**Issue price per Equity shares(₹)**	**Nature of consideration**	**Nature of allotment**
1.	18.05.2021	13,50,844	10/-	533/-	Cash	Right issue
2.	05.06.2021	5,62,851	10/-	533/-	Cash	Right issue
3.	09.08.2021	15,28,834	10/-	11.50/-	Other than cash	Conversion of Series B Preference Shares
4.	10.09.2021	25,66,18,862	5/-	-	Other than cash	Bonus issue Of one Equity Share for every one Equity Share held
*5.	16.09.2021	2,78,88,492	5/-	133.25	Other than cash	Swap of equity Shares of China Bird Centro America S.A. with the Equity shares of our Company under Preferential cum private Placement Basis

*Pursuant to issuance of preferential allotment of 2,78,88,492 Equity shares to Clipper Global S.A., the Company has acquired 100% shareholding China Bird Centro America S.A. from clipper Global S.A.

- ☐ The Company has, passed a Shareholders resolution in the extra-ordinary general meeting held on September 10, 2021 for sub-division of equity shares of face value of ₹ 10 each to Equity Shares of face value of ₹ 5 each. As a result of the above transaction, the authorized no. of Equity shares have been increased to 78,20,00,000 Equity shares of the Company having face value of Rs. 5 each from 39,10,00,000 Equity shares having face value of Rs.10 Each.

FOR KUMAR WADHWA & COMPANY
Company Secretaries

Sd/-
SANJAY KUMAR
(Partner)
C.P NO: 7027
UDIN: F009211D000915336

Place: New Delhi
Date: 05.09.2022

Note: This Report is to be read with our Letter of even date which is annexed as "Annexure A" and Annexure B forms as an integral part of this report.

"Annexure A" to the Secretarial Audit Report" for the Financial Year Ended 31st March, 2022

To,
The Members of
LAVA INTERNATIONAL LIMITED
Regd. Off: B-14, House 2, Basement, Shivlok Commercial Complex, Karampura, Delhi -110015.

Our Report of Even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis of our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating of maintenance of Books of Accounts, papers, and Financial Statements of the relevant financial year, which gives a true and fair view of the state of the affairs of the Company.

4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961, & Finance Acts, Goods & Service Tax (GST).

5. Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events.

6. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of Management. Our examination is limited to the verification of procedures on test basis.

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

FOR KUMAR WADHWA & COMPANY
Company Secretaries

Sd/-

Place: New Delhi
Date: 05.09.2022

SANJAY KUMAR
(Partner)
C.P NO: 7027
UDIN: F009211D000915336

"ANNEXURE B" to the Secretarial Audit Report" FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

(List of other laws applicable to the Company)

1. The Indian Telegraph Act, 1885 ("Telegraph Act")
2. The Legal Metrology Act, 2009 ("Legal Metrology Act")
3. Bureau of Indian Standards Act, 2016 ("BIS Act")
4. Consumer Protection Act, 2019 (the "Consumer Protection Act") and rules made thereunder
5. Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 (the "Electronics and IT Goods Order 2012")
6. Production Linked Incentive Scheme for Large Scale Electronics Manufacturing ("PLI Scheme")
7. Foreign Investment Regulations
8. Regulations specific to mobile handsets
   - (i) International Mobile Equipment Identity and Electronic Serial Number
   - (ii) Panic-button rules and Global Positioning System Facility in all Mobile Phone Handsets Rules, 2016 ("Panic Button Rules")
9. Laws relating to Intellectual Property
   - (i) The Trademarks Act, 1999 ("Trademark Act")
   - (ii) The Patents Act, 1970 ("Patents Act")
   - (iii) The Copyright Act, 1957 ("Copyright Act")
   - (iv) Semiconductor Integrated Circuits Layout-Design (SICLD) Act, 2000 ("Semiconductor Integrated Circuits Act")
   - (v) Designs Act, 2000 ("Designs Act")
10. Environmental Laws
    - (i) The Environment Protection Act, 1986 (the "Environment Act")
    - (ii) The Environment (Protection) Rules, 1986 (the "Environment Rules")
    - (iii) The Environment Impact Assessment Notification S.O. 1533(E), 2006 (the "EIA Notification")
    - (iv) E-Waste Management Rules, 2016 (the "E-Waste Rules")
    - (v) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")
    - (vi) Plastic Waste Management Rules, 2016 ("Plastic Waste Management Rules")
11. Laws relating to taxation
    - (i) Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017, each as amended, and

various state-wise legislations made thereunder

(ii) The Integrated Goods and Service Tax Act, 2017

(iii) Professional Tax state-wise legislations

(iv) Indian Stamp Act, 1899 and various state-wise legislations made thereunder

(v) Customs Act, 1962 and the various rules issued thereunder

12. Laws relating to employment

(i) Factories Act, 1948;

(ii) Contract Labour (Regulation and Abolition) Act, 1970;

(iii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

(iv) Employees' State Insurance Act, 1948;

(v) Minimum Wages Act, 1948;

(vi) Payment of Bonus Act, 1965;

(vii) Payment of Gratuity Act, 1972;

(viii) Payment of Wages Act, 1936;

(ix) Maternity Benefit Act, 1961;

(x) Industrial Disputes Act, 1947;

(xi) Employees' Compensation Act, 1923;

(xii) Sexual Harassment of Women (Prevention, Prohibition and Redressal) Act, 2013; and

(xiii) Public Liability Insurance Act, 1991

Annexure - C

1. **Brief outline on CSR Policy of the Company:**

Lava International Limited ("Company") recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company endeavours to make CSR for sustainable development. The Company through its CSR Committee shall identify the activities/projects in line with Section 135 read with Schedule VII of the Companies Act 2013 and the Rules made thereunder Our company is committed for better utilisation of CSR funds so that it can serve the of public at large.

2. **Composition of CSR Committee:**

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rahul Kansal	Chairman /Independent Director	2	2
2	Mr. Hariom Rai	Member/Managing Director	2	2
3	Mr. Shailendra Nath Rai	Member/Whole Time Director	2	2

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** https://www.lavamobiles.com/csr.pdf

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:** *Not applicable.*

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**: Rs. 237.18 Lacs

6. **Average net profit of the company as per section 135(5).:** *Rs. 4024.8 Lakhs.*

7. (a) Two percent of average net profit of the company as per section 135(5): *Rs. 80.5 Lakhs*

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: *Nil*

   (c) Amount required to be set off for the financial year, if any: *Nil*

   (d) Total CSR obligation for the financial year (7a+7b- 7c). : *Rs. 80.5 Lakhs*

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs. Lakh)	Amount Unspent (in Rs. Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
81.00	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year: *Nil*

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the project (in Lakhs).**	**Mode of implementation - Direct (Yes/No).**	**Mode of implementation - Through implementing agency.**	
				State.	**District.**			**Name.**	**CSR registration number.**
1	Plantation and Prevention of Environment Pollution	Ensuring environment sustainability	YES	DELHI	-	81.00	NO	Akashiganga Foundation	CSR00011882

Amount spent in Administrative Overheads : *Nil*

(d) Amount spent on Impact Assessment, if applicable: *Nil*

(e) Total amount spent for the Financial Year (8b+8c+8d+:8e): *Rs. 81Lakh*

(f) Excess amount for set off, if any*: Rs. 50,000 of current year and in aggregate Rs. 237.68 lakh (will be setoff in succeeding years)*

9. (a) Details of Unspent CSR amount for the preceding three financial years: *Nil*

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):*Nil*

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** *Not Applicable*

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).:** *Not Applicable*

Annexure – "D"

INFORMATION AS PER SECTION 134 (3) (m) READ WITH THE COMPANIES (ACCOUNTS) RULES 2014 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022.

FORM A

CONSERVATION OF ENERGY:

a) **Energy Conservation measures taken:**
The operations of the company are of such nature that energy consumption is on a lower side.

b) **Alternate sources of energy:**
The Company is not required to look for alternate source of energy due to its nature of business.

c) **Capital investment on energy conservation equipment's:**
NIL

FORM 'B'

TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

1. **RESEARCH & DEVELOPMENT (R&D)**

The main objectives of R & D (Software & Hardware) unit established by the company include:

- The R&D unit of the company has been set up with an objective to design & develop hardware and software of affordable flagship smart phones and feature phones and also import substitution, cost reduction, and to become more competitive in domestic and global market.
- This R&D center has been established to enable development of local eco-system of mobile manufacturing in India which is in line with govt. of India vision for developing this industries and thereby generating huge employment opportunities in the country.

a. Specific Areas in which Research and Development (R&D) is being carried out by the Company

- The company has established state of the art R&Dcenter at Noida Sector-64 in order to design & develop Feature phone and Smartphones, the R&D Center has accorded by DSIR. LAVA R&D Center has end to end capabilities for Industrial design, Mechanical design and Hardware and software design.
- Currently from Design Center 100% Feature phones has been Designed, schematized, developed and manufactured to meet the requirements of domestic as well as globalmarket. We have built up capabilities to delivered 4G phones and successfully delivered Smart Phones from design center which deliver better UX experience and durability level.
- Developed ability to design device drivers in areas of MIPI, I2C, Linux Imaging interface and tuning and aide end to end development of camera hardware in India.

b. Benefits derived as a result of the above efforts –

- Customer Satisfaction
- Cost reduction
- Technology edge
- Better product
- Enhancing Make in India by building phone manufacturing eco-system and developing state of art technology in terms of Hardware and software for same.

c. Future Plan of action

- Project Deliveries and Capabilities for 5G enabled devices, TWS, Smartwatches etc.
- To develop and build software solutions which enables the customers to engage with right content and services and also build solutions for better customer experience and features

d. Expenditure on R&D*

Expenditure	FY 2021-22 Amount (in Rs million.)	FY 2020-21 Amount (in Rs million.)
Amount Charged to Statement of Profit & Loss	128.92	66.49
Amount capitalized		
(i) Intangible Assets	-	-
(ii) Property, plant & equipment	10.36	2.94
TOTAL	**139.28**	**69.43**
Total R & D Expenditure as a % of Total Turnover	**0.76%**	**0.43%**

* Above figures are shown on standalone basis.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a. Efforts made towards technology absorption, adaptation and innovation

The company is having in-house technical department which keep on updating the company with the latest technology available in market related to mobile industry. The company is using latest technology in its products and keep on updating its products in terms of quality and technology. The company also arranges sessions on regular basis for its employees and impart technical knowledge and training to keep them abreast with the latest technologies in the market.

b. Benefits Derived as a result of the above efforts.

We are able to deliver quality products in the hands of the customers in terms of new features in the handsets we keep on updating the technology in our products.

c. Information about Imported Technology

I	**Technology Imported:**	a. DRM Algorithm b. Camera Algorithm
II	**Year of Import:**	2021-22
III	**Has Technology been fully absorbed:**	Yes
IV	**If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.**	N.A.

3) FOREIGN EXCHANGE EARNINGS AND OUTGO

Activates relating to exports, Initiative taken to increase Export, Development of new export markets for products, Export Plans:

The Company had exported its material, considering the increasing demand of mobile handsets all over the world. The company is planning to export its products in the Asian and African Countries in the forthcoming financial year.

Total Foreign Exchange used and earned

(Rs. in million)

		2021-22	**2020-21**
Earnings	FOB value of exports	1,162.75	1394.89
Out go	CIF value of imports	11,237.10	7844.77
	Expenditure in Foreign Currency	83.70	51.40

Annexure-E **EMPLOYEE STOCK OPTION**					
Sr. No.	**Particulars**	**Lava Employee Stock Option Plan 2020 – I ("ESOP 2020-I")**	**Lava Employee Stock Option Plan 2020 – II ("ESOP 2020-II")**	**Lava Employee Stock Option Plan 2015 ("ESOP 2015")**	**Total**
1	Number of Options granted during FY 2021-22	4,59,852	-	-	4,59,852
2	Number of Options vested during FY 2021-22	20,27,399	2,04,44,744	-	2,24,72,143
3	Number of Options exercised during FY 2021-22	-	-	-	-
4	Number of shares arising as a result of exercise of options	-	-	-	-
5	Number of options forfeited / lapsed during FY 21-22	-	-	-	-
6	The Exercise Price (weighted average for the grant made during the year)	17.04	Not applicable since no grant made during the period	Not applicable since no grant made during the period	
7	Variation of the terms of option	-	-	Vesting period and exercise price are varied for options granted over the period	-
8	Money realized by exercise of options	-	-	-	-
9	total no. of options in force	85,69,449	2,04,44,744	2,01,47,360	4,91,61,554
10.	Employee wise details (name of employee, designation, number of options granted during the year (2021-22), exercise price) of options granted to	-	-	-	-
	(a) Key Managerial Personnel;	-	-	-	-
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Sudhanshu Sharma-348812 options Execise price-Rs.16.81	-	-	-
		Anurag Dang-29040 options Execise price-Rs.17.75	-	-	-
		Tirupati-24000 options Execise price-Rs.17.75			
		Praveen Valecha - 50000 options Execise price-Rs.17.75	-	-	-
	(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding	-	-	-	-

	warrants and conversions) of the company at the time of grant				

Note -Number of ESOPs and its exercise price has been calculated taking into account the following events:

a) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10 September 2021, the Company undertook a stock split of one existing equity share of Rs. 10 each into two fully paid up equity shares of Rs. 5 each.

b) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10 September 2021, the Company issued and allotted fully paid-up "bonus shares" at par in proportion of one new equity shares of Rs. 5 each for every one existing fully paid up equity share of Rs. 5 each held as on the record date of 08 September 2021.

INDEPENDENT AUDITORS' REPORT

To the members of Lava International Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Lava International Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2022, the standalone statement of Profit and Loss including Other Comprehensive Income, the standalone statement of changes in Equity and the standalone statement of cash flows for the year then ended, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended, ("the Act") in the manner so required and give a true and fair view in conformity with the 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, 2022, its profit including other comprehensive income, changes in equity and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the standalone 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 standalone financial statements.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures but does not include the standalone financial statements and our report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 system 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 standalone 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 auditors' 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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

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

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the standalone financial statements;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors is in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any and to the extent ascertainable, on long-term contracts including derivative contracts; and

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

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 47 to the standalone financial statement, 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 48 to the Standalone Financial Statement, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

(v) The Company has not declared and paid dividend during the year.

For ASA & Associates LLP
Chartered Accountants
Firm Registration No. 009571N/N500006

Sd/-
Prateet Mittal
Partner
Membership No. 402631

UDIN: 22402631BBMGTT5318

Place: Noida
Date: September 30, 2022

Annexure A to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant, and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant, and equipment by which all the items of property, plant and equipment of respective locations are verified at least once in every three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant, and equipment. In accordance with the programme, the Company has not physically verified property, plant, and equipment during the year and hence, we are unable to report on the discrepancies, if any.

(c) According to the information and explanations given to us, the Company does not hold any immovable property. Accordingly, the reporting under Clause 3 (i) (c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and audit procedures performed by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory, except goods-in-transit, has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets during the year. According to information and explanations given to us and on the basis of our examination of the records of the Company, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) (a) On the basis of examination of records of the Company and information and explanation given to us, during the year the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties. The Company has made Investments during the year.

(b) According to the information and explanations given to us and audit procedures performed by us, we are of the opinion that the investments made are not prejudicial to the interest of the Company.

(c) Based on the records examined by us and information and explanation given to us, the Company has not given any loans secured or unsecured, to any companies, firms, limited liability partnerships or other parties hence the reporting requirement of Clause 3 iii(c), (d), (e), (f) of the Order is not applicable to the Company.

(iv) The Company has not granted any loans or provide any guarantees or securities to parties covered under Section 185 of the Act. Further, provisions of sections 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with by the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act for the products of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, specified by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess, and other material statutory dues have generally been regular in depositing during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services 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 as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 with the appropriate authorities on account of any dispute are as follows:

Name of Statute	**Nature of the dues**	**Amount of Dispute (in Rs. millions)**	**Amount not paid (in Rs. millions)**	**Period to which amount relates**	**Forum where the dispute is pending**
Income Tax Act, 1961	Income Tax	1.24	1.24	2015-16	Income Tax Appellate Tribunal

Name of Statute	Nature of the dues	Amount of Dispute (in Rs. millions)	Amount not paid (in Rs. millions)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	25.03	25.03	2016-17	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	30.22	30.22	2018-19	The Central Board of Direct Taxes
Income Tax Act, 1961	Income Tax	36.46	36.46	2019-20	The Central Board of Direct Taxes
Bihar VAT Act	Sales Tax	58.94	33.83	2009-17	Hon'ble Bihar Commercial Tax, Tribunal, Patna
Chandigarh VAT Act	Sales Tax	1.08	0.76	2011-15	Pending before P&C High Court
Karnataka VAT Act	Sales Tax	14.17	7.40	2011-13 and 2014-15	Pending before Tribunal
Karnataka VAT Act	Sales Tax	5.58	5.58	2013-14	Pending before Dept.
Kerala VAT Act	Sales Tax	3.53	2.37	2009-12	The Deputy Commissioner (Appeal) Ernakulam
Maharashtra VAT Act	Sales Tax	5.63	4.86	2012-13 and 2016-17	Joint Commissioner of Sales Tax, Raigarh division
Maharashtra VAT Act	Sales Tax	18.14	16.04	2013-16	Pending before Tribunal
Punjab VAT Act	Sales Tax	12.59	9.44	2009-13	Pending before P&C High Court
Rajasthan VAT Act	Sales Tax	15.85	9.18	2009-13	Pending before Supreme Court
Seemandhra VAT Act	Sales Tax	17.90	13.43	2014-15 and 2015-16(Jun'14 to Dec'15)	Pending before Hyderabad High Court
Tamil Nādu VAT Act	Sales Tax	1.51	1.34	2011-14	Commercial Tax Department

Name of Statute	Nature of the dues	Amount of Dispute (in Rs. millions)	Amount not paid (in Rs. millions)	Period to which amount relates	Forum where the dispute is pending
Telangana VAT Act	Sales Tax	283.70	212.78	Feb'14 to Mar'15 and 2015-17	High Court Judicature at Hyderabad
Uttar Pradesh GST Act	Goods and Service Tax	9.7	9.7	2018-18	Assistant Commissioner, Div III, Noida
Customs Act	Social Welfare Duty	23.71	22.15	Feb'18 – Jul'19	Pending before CESTAT

(viii) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year and accordingly reporting under clause 3(viii) of the Order is not applicable.

(ix) (a) According to the information and explanations given to us and audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the term loans have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilized for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

(f) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies as defined under the Companies Act, 2013.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has made private placement of shares during the year in compliance with the requirements of Section 42 and Section 62 of the Act. In our opinion and according to the information and explanations given to us, the Company has utilized the funds for the purposes for which they were raised.

(xi) (a) According to the information and explanations given by the management and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the 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.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable.

(d) As represented by the management, the Group does not have any Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under Clause 3 (xvi)(d) of the Order is not applicable.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and 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 financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanation given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

For ASA & Associates LLP
Chartered Accountants
Firm Registration No. 009571N/N500006

Sd/-
Prateet Mittal
Partner
Membership No. 402631

UDIN: 22402631BBMGTT5318

Place: Noida
Date: September 30, 2022

Annexure B to the Independent Auditors' Report
[Referred to in paragraph 2(f) 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 **Lava International Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone 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 based on the internal control over financial reporting 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 ("ICAI"). 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 the 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 Act.

Auditors' 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 Act, to the extent applicable to an audit of internal financial controls. 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 standalone 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 system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone 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 system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to standalone 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 ASA & Associates LLP
Chartered Accountants
Firm Registration No. 009571N/N500006

Sd/-
Prateet Mittal
Partner
Membership No. 402631

UDIN: 22402631BBMGTT5318

Place: Noida
Date: September 30, 2022

Lava International Limited
Standalone balance sheet as at 31 March 2022
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I. Assets			
Non-current assets			
(a) Property, plant and equipment	3	580.09	578.97
(b) Capital work-in-progress	3	182.24	32.76
(c) Intangible assets	4	12.89	14.66
(d) Right of use asset	5	130.14	161.64
(e) Financial Assets			
(i) Investment in subsidiaries and associate	6	4,256.55	540.41
(ii) Other financial asset	7 (f)	1,045.85	26.82
(f) Deferred tax assets (net)	23	315.49	228.96
(g) Other non-current assets	9 (a)	96.84	50.92
		6,620.09	**1,635.14**
Current assets			
(a) Inventories	8	4,353.06	3,263.56
(b) Financial assets			
(i) Investments	7 (b)	-	10.00
(ii) Trade receivables	7 (c)	8,542.84	7,388.05
(iii) Cash and cash equivalents	7 (d)	220.64	181.08
(iv) Other bank balances	7 (e)	601.92	1,612.66
(v) Other financial assets	7 (g)	1,049.21	988.68
(c) Other current assets	9 (b)	2,380.00	2,305.31
		17,147.67	**15,749.34**
TOTAL ASSETS		**23,767.76**	**17,384.48**
II. Equity and liabilities			
Equity			
(a) Equity share capital	10	2,705.63	1,248.67
(b) Instruments entirely equity in nature	10	33.42	51.00
(c) Other equity			
(i) Securities premium		5,690.34	2,393.58
(ii) Share based payment reserve		355.41	228.72
(iii) Retained earnings		7,043.16	6,662.72
(iv) Other reserve		17.31	(7.69)
		15,845.27	**10,577.00**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11 (a)	524.79	-
(ii) Lease liabilities	11 (d)	132.43	162.60
(b) Provisions	12 (a)	56.51	51.55
		713.73	**214.15**

Lava International Limited
Standalone balance sheet as at 31 March 2022
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11 (b)	1,601.33	1,031.20
(ii) Lease liabilities	11 (e)	30.16	23.75
(iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	11 (c)	241.90	20.37
- total outstanding dues other than micro enterprises and small enterprises	11 (c)	3,171.08	3,597.24
(iv) Other financial liabilities	11 (f)	1,354.38	1,006.48
(b) Other current liabilities	13	406.30	394.19
(c) Provisions	12 (b)	147.35	163.85
(d) Current tax liabilities (net)	14	256.26	356.25
		7,208.76	**6,593.33**
TOTAL EQUITY AND LIABILITIES		**23,767.76**	**17,384.48**

Summary of significant accounting policies 2.1

The accompanying notes forms an integral part of these standalone financial statements.

As per our report of even date as attached

For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.: 009571N/N500006

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920

Sd/-
Prateet Mittal
Partner
Membership No. 402631

Sd/-
Hari Om Rai
Chairman & Managing Director
(DIN-01191443)

Sd/-
Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Sd/-
Nirav Girishbhai Raval
Chief Financial Officer

Sd/-
Naveen Kumar
Company Secretary
(M. No.- ACS 46279)

Place: Noida
Date: September 30, 2022

Place: Noida
Date: September 30, 2022

Lava International Limited

Standalone statement of profit and loss for the year ended 31 March 2022

(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	15	18,222.36	16,166.82
Other income	16	201.17	98.47
Total income (I)		**18,423.53**	**16,265.29**
Expenses			
Cost of raw material and components consumed	17	11,473.79	11,566.74
Purchase of traded goods		2,618.31	1,525.97
Changes in inventories of finished goods, spares and stock in trade	18	262.75	(590.70)
Employee benefits expense	19	1,418.89	1,331.85
Other expenses	20	1,582.73	1,401.01
Total expense (II)		**17,356.47**	**15,234.87**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)		**1,067.06**	**1,030.42**
Depreciation and amortisation expense	21	194.83	226.51
Finance costs	22	308.17	285.09
Profit before tax		**564.06**	**518.82**
- Current tax		261.30	332.56
- Tax charge/(credit) relating to earlier years		(16.21)	(30.80)
- Deferred tax expense/(income)		(86.52)	(197.34)
Income tax expense	23	**158.57**	**104.42**
Profit for the year		**405.49**	**414.40**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods :			
- Re-measurement (gains)/losses of defined benefit plan	28	0.07	1.65
- Income tax relating to this item		(0.02)	(0.42)
Other comprehensive (income)/loss for the year		**0.05**	**1.23**
Total comprehensive income for the year		**405.44**	**413.17**

Lava International Limited
Standalone statement of profit and loss for the year ended 31 March 2022
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Earnings per equity share (in rupees)	24		
Basic		**0.77**	**3.32**
Diluted		**0.70**	**3.03**
Adjusted Basic*		**NA**	**0.83**
Adjusted Diluted*		**NA**	**0.76**

* Earnings per shares for the previous financial year 2020-21 had been adjusted for stock split and bonus made during the current financial year 2021-22.

Summary of significant accounting policies 2.1

The accompanying notes forms an integral part of these standalone financial statements.

As per our report of even date as attached

For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.: 009571N/N500006

Sd/-
Prateet Mittal
Partner
Membership No. 402631

Place: Noida
Date: September 30, 2022

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920

Sd/-
Hari Om Rai
Chairman & Managing Director
(DIN-01191443)

Sd/-
Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Sd/-
Nirav Girishbhai Raval
Chief Financial Officer

Sd/-
Naveen Kumar
Company Secretary
(M. No.- ACS 46279)

Place: Noida
Date: September 30, 2022

Lava International Limited
Standalone statement of changes in equity for the year ended 31 March 2022
(All amounts in Indian Rupees million unless otherwise stated)

a. Equity share capital

Balance as at 01 April 2021	Changes in equity share capital due to prior period errors	Restated balance at 01 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
1248.67	Nil	1248.67	1456.96	2705.63

Balance as at 01 April 2020	Changes in equity share capital due to prior period errors	Restated balance at 01 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
1248.67	Nil	1248.67	Nil	1248.67

b. Instruments entirely equity in nature

Balance as at 01 April 2021	Changes in instruments entirely equity in nature due to prior period errors	Restated balance at 01 April 2021	Changes in instruments entirely equity in nature during the year	Balance as at 31 March 2022
51.00	Nil	51.00	(17.58)	33.42

Balance as at 01 April 2020	Changes in instruments entirely equity in nature due to prior period errors	Restated balance at 01 April 2020	Changes in instruments entirely equity in nature during the year*	Balance as at 31 March 2021
50.00	Nil	50.00	1.00	51.00

(All amounts in Indian Rupees million unless otherwise stated)

c. Other equity

Particulars	Attributable to the equity holders of Lava International Limited					
	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Securities premium [refer note (i)]	Share based payment reserve [refer note (ii)]	Debentures Redemption Reserve [refer note (iii)]	Retained earnings	FVTOCI - equity investment reserve [refer note (iv)]	
As at 31 March 2020	**1,874.58**	**143.18**	**-**	**6,604.84**	**(7.69)**	**8,614.91**
Provision for Expected Credit Loss (Refer note 7 (c))	-	-	-	(355.29)		**(355.29)**
Total profit for the year	-	-	-	414.40	-	**414.40**
Other comprehensive income for the year	-	-	-	(1.23)	-	**(1.23)**
Total comprehensive income for the year	**-**	**-**	**-**	**57.88**	**-**	**57.88**
Share based payment expense	**-**	85.54	-	**-**	**-**	**85.54**
Security Premium on CCPS*	519.00	**-**		**-**	**-**	**519.00**
As at 31 March 2021	**2,393.58**	**228.72**	**-**	**6,662.72**	**(7.69)**	**9,277.33**
Total profit for the year	-	-	-	405.49	-	**405.49**
Other comprehensive income for the year	-	-	-	(0.05)	-	**(0.05)**
Total comprehensive income for the year	**-**	**-**	**-**	**405.44**	**-**	**405.44**
Share based payment expense	-	126.69	-	-	-	**126.69**
Shares issued during the year (refer note 10)	3,578.99	**-**	**-**	**-**	**-**	**3,578.99**
Right shares issued	1,000.86	**-**	**-**	**-**	**-**	**1,000.86**
Bonus shares issued	(1,283.09)	**-**	**-**	**-**	**-**	**(1,283.09)**
Debentures redemption reserve	-	-	25.00	(25.00)	**-**	**-**
As at 31 March 2022	**5,690.34**	**355.41**	**25.00**	**7,043.16**	**(7.69)**	**13,106.22**

Note:

(i) Securities premium : Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Share based payment reserve : The fair value of the options granted to employees under the company's employee stock option plan is recognised in the share options outstanding account during the vesting period of options.

(iii) Debenture redemption reserve: The Company had created debenture redemption reserve out of the profits in compliance with the provisions of the Companies Act, 2013.

(iv) FVTOCI equity investment reserve : The Company had elected to recognise changes in the fair value of investments in equity instruments of Abhriya Pte Ltd in other comprehensive income. The changes are accumulated within the FVTOCI equity investment reserve.

* During the financial year 2020-21, based on the terms of Investment agreement, and confirmation of the number of shares to be issued and price thereof, CCPS which was earlier classified under 'Borrowing (non-current)' met the criterion of Equity and accordingly the amount had been reclassified as ‘Instruments entirely equity in nature’ and 'Security premium'.

Summary of significant accounting policies (refer note 2.1)

The accompanying notes forms an integral part of these standalone financial statements.

As per our report of even date as attached

For ASA & Associates LLP
Chartered Accountants
Firm’s Registration No.: 009571N/N500006

Sd/-
Prateet Mittal
Partner
Membership No. 402631

Place: Noida
Date: September 30, 2022

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920

Sd/-
Hari Om Rai
Chairman & Managing Director
(DIN-01191443)

Sd/-
Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Sd/-
Nirav Girishbhai Raval
Chief Financial Officer

Sd/-
Naveen Kumar
Company Secretary
(M. No.- ACS 46279)

Place : Noida
Date: September 30, 2022

Lava International Limited
Standalone cash flow statement for the year ended 31 March 2022
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit before tax	**564.06**	**518.82**
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization	194.83	226.51
(Profit)/ loss on sale of property, plant and equipment	0.08	(1.00)
Fair value (gain) /loss on Investment at fair value through profit or loss	-	(2.00)
Unrealized foreign exchange (gain)/ loss	(215.87)	30.00
Net (gain)/loss on sale of mutual fund investments	(0.35)	(0.55)
Fair value (gain)/loss on derivative financial instrument at FVTPL	(5.82)	10.93
Payment of principal portion of lease liabilities	(23.75)	(22.91)
Provision for Share based payment Expenses	126.69	85.54
Provision for Inventories obsolescence	5.28	(41.67)
Provision for trade receivables and advances	255.28	263.39
Amortization of prepaid security deposit	1.28	1.35
Interest expense	190.33	193.09
Interest income	(71.06)	(75.35)
Operating profit before working capital changes	**1,020.98**	**1,186.15**
Movements in working capital:		
Increase/ (Decrease) in trade payables and other liabilities	460.51	291.69
Increase/ (Decrease) in provisions	(11.54)	11.42
(Increase)/ Decrease in trade receivables	(1,274.70)	561.06
(Increase)/ Decrease in inventories	(1,094.78)	(1,349.47)
(Increase)/ Decrease in other assets	(37.06)	541.69
Cash generated from operations	**(936.59)**	**1,242.54**
Income taxes paid (net of refunds)	(386.98)	(267.63)
Net cash flow from / (used) in operating activities (A)	**(1,323.57)**	**974.91**
Cash flows from investing activities		
Purchase of property, plant and equipment including capital work in progress	(402.32)	(159.91)
Proceeds from sale of property, plant and equipment (including intangibles)	0.17	4.31
Purchase of mutual fund investments	(419.98)	(50.00)
Sale of mutual fund investments	430.37	64.96
Investment in bank deposits	(1,446.71)	(2,252.60)
Maturity of bank deposits	1,441.00	1,867.28
Interest received	37.59	99.73
Net cash flow from / (used in) investing activities (B)	**(359.88)**	**(426.23)**
Cash flow from financing activities		
Proceeds from issue of right shares	1,020.00	-
Proceeds from issue of non-convertible debentures	250.00	-
Proceeds from borrowings (non-current)	372.32	31.20
Payment of borrowings (non-current)	(70.65)	(119.62)
Proceeds/ (repayment) from borrowings (current) (net)	294.77	(129.10)
Interest paid on lease liability	(20.78)	(24.98)
Interest paid on borrowings	(122.65)	(248.44)
Net cash from / (used in) financing activities (C)	**1,723.01**	**(490.94)**
Net increase in cash and cash equivalents (A + B +C)	**39.56**	**57.74**
Cash and cash equivalents at the beginning of the year	181.08	123.33
Cash and cash equivalents at the end of the year	**220.64**	**181.08**

Lava International Limited
Standalone cash flow statement for the year ended 31 March 2022
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Components of cash and cash equivalents		
Cash on hand	5.04	2.08
Cheques/ drafts on hand		-
With banks on current account		
- on deposit account	66.15	68.31
- others balances	149.45	110.69
Total cash and cash equivalents [refer note 7 (d)]	**220.64**	**181.08**

Summary of significant accounting policies (refer note 2.1)

The accompanying notes forms an integral part of these standalone financial statements.

The schedules referred to above and notes on accounts form an Integral part of the standalone cash flow statement.

The above Cash flow statement has been prepared under the Indirect method set out in Ind AS-7 'Statement of Cash Flow'.

Cash flow from operating activities include Rs. 8.10 millions (31st March 2021 : Rs. 35.65 millions) being expenses towards Corporate social responsibility.

As per our report of even date as attached

For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.: 009571N/N500006

For and on behalf of the Board of Directors of
LAVA International Limited
CIN: U32201DL2009PLC188920

Sd/-
Prateet Mittal
Partner
Membership No. 402631

Sd/-
Hari Om Rai
Chairman & Managing Director
(DIN - 01191443)

Sd/-
Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Sd/-
Nirav Girishbhai Raval
Chief Financial Officer

Sd/-
Naveen Kumar
Company Secretary
(M. No.- ACS 46279)

Place: Noida
Date: September 30, 2022

Place : Noida
Date: September 30, 2022

1. Corporate information

Lava International Limited (the 'Company') is engaged in trading and manufacturing of mobile phones, storage devices and other wireless telecommunication devices. The Company is a public company domiciled in India and is incorporated under the provisions of Companies Act applicable in India as on 27th March, 2009. The registered office of the Company is located in Karampura, Delhi and the principal place of business is Noida, Uttar Pradesh. The Company has an in-house research and development center and manufacturing facilities in Noida.

The financial statements of the Company for the year ended 31st March, 2022 were approved and authorised for issue by the board of directors in their meeting held on 30th September, 2022.

2. Basis of preparation

a. Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

b. Basis of measurement

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The financial statements have been prepared on the historical cost basis except for the following items:

- Investments in equity instruments of other entities (at fair value through other comprehensive income)
- Investment in mutual funds (at fair value through profit or loss)
- Derivative financial instruments (at fair value through profit or loss)
- Plan assets under defined benefit plans (at fair value through profit or loss)
- Employee share based payments (at fair value through profit or loss)

c. Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates are recognized prospectively in current and future periods. Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets. Carrying amount of property, plant and equipment and intangible assets are disclosed in Note 3 and Note 4 respectively.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses. Carrying amount of defined benefit obligations are disclosed in Note 28.

Provisions for warranties – A provision is estimated for expected warranty in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. Carrying amount of provision is disclosed in Note 12.

Significant judgments

Contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

2.1 Summary of significant accounting policies

(a) Current vs Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is current when:

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

Current liabilities include current portion of non-current financial liabilities. The Company classifies all other liabilities as non-current.

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

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(b) Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All Financial information presented in INR has been rounded off to the nearest millions as per the requirements of Schedule III of "the Act", unless otherwise stated.

(c) Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses if any. Cost directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

ii. Subsequent expenditure

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss on the date of disposal or retirement.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work in progress'.

iii. Depreciation

Depreciation on property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets as below:-

Assets	Useful Lives	As per Schedule II
Office Equipment	5 Years	5 Years
Furniture and fixtures*	5 Years	10 Years
Demonstration Fixtures	2 Years	2 Years
Vehicles*	5 Years	10 Years
Computer and Components	3 Years	3 Years
Plant and Machinery*		
Jigs	1 Years	1 Years
Other Plant and Machinery	5,15 Years	15,25 Years
Electrical Installations	10 Years	10 Years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives for these assets are different from useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Leasehold Improvements are amortized over the lease term or 10 years whichever is less.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

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

(d) Intangible assets

i. **Recognition and initial measurement**

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

ii. **Subsequent expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. **Amortization**

The useful lives of intangible assets is assessed as finite as stated below and the assets are amortised over their useful lives and assessed for impairment whenever there is an indication that an intangible asset may be impaired.

Assets	**Useful Lives**
Computer software (over license period)	1-5 Years
Internally generated software	5 Years

The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits.
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of one to five years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(e) Leases

The Company adopted Ind AS 116 using the Modified retrospective method of adoption, with the date of initial application on 1 April 2019. The Company has recognized a lease liability on initial application (i.e. April 1, 2019) at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset (Refer note 37).

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

(f) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.
Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

(g) Financial instruments

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

Financial assets

Recognition and initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' 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 most applicable 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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category is applicable to investments in mutual funds.

Debt instrument at FVTOCI

A 'debt instrument' 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. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss (P&L). Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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 statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value. All changes in fair value including dividend are recognized in the statement of profit and loss.

De-recognition

A financial asset is de-recognised only when

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Loan commitments which are not measured as at FVTPL

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. For the financial assets measured as at amortized cost, contractual revenue receivables, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

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

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and Compulsory Convertible Preference Shares, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.
Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI.

These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting financial instruments

Financial asset and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(h) Derivative financial instrument

The Company uses derivative financial instruments i.e., forward and futures currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss. The Company has not applied hedge accounting.

(i) Fair value measurement

The Company measure its financial instruments such as derivative at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (Unadjusted) marked prices in the active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

(j) Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

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

(k) Revenue recognition

Ind AS 115 – “Revenue from Contracts with Customers” has been notified by MCA with effect from 1st April 2018, vide its notification dated 28 March, 2018 which supersedes Ind AS 18 – “Revenue” and related Appendices.

We account for revenue in accordance with Ind AS 115 "Revenue from Contracts with customers" using the modified retrospective method.

The Company has recognize revenue in accordance with Ind AS 115 by applying the following 5 steps:

i. Identify the contracts with the customers,
ii. Identify the separate performance obligations,
iii. Determine the transaction price of the contract,
iv. Allocate the transaction price to each of the separate performance obligations, and
v. Recognize the revenue as each performance obligation is satisfied.

Sale of Goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.
Revenue mainly comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company’s activities. Revenue is shown net of GST, returns, sales incentives and discounts.
The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks

The Company accounts for volume discount for pricing incentives to customers as a reduction of revenue based on estimate of applicable discount/incentives.

Sale of Services

Revenue from sales of services is from installation of third party mobile applications in the handset and is recognized by reference to the stage of completion, net of GST. Stage of completion is measured by reference to services performed to date as a percentage of total services to be performed.

Interest

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend Income

Dividend Income is recognized when the Company’s right to receive the amount has been established.

Incentive Income

Company has recognized incentive income in form of, Merchant export incentive income (MEIS), Duty drawback income based on export made.

(All amounts in Indian Rupees million unless otherwise stated)

Disaggregation of Revenue

See Note 29 (Segment Reporting) to Standalone Financial Statements for our disaggregated revenues.

Contract Balances:

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract Assets

A contract asset is a right to consideration that is conditional upon factors other than the passage of time.

During financial year 2021-22, out of Rs. 10.04 million contract assets as on March 31, 2021, invoicing for 81.82% has been done and Rs.1.83 million is pending for invoicing.

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Balance as at beginning of the year	10.04 million	20.24 million
Deduction on account of reclassified to receivable	(98.41) million	(90.51) million
Recognized as revenue during the year	98.67 million	80.31 million
Balance as at end of the year	10.30 million	10.04 million

Contract Liabilities
A Contract liabilities is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Balance as at beginning of the year	347.06 million	589.80 million
Deduction on account of revenues recognized during the year	(206.98) million	(378.72) million
Addition on account of transaction	211.03 million	135.98 million
Balance as at end of the year	351.11 million	347.06 million

Changes in the contract asset and liability balances during current year, were a result of normal business activity and not materially impacted by any other factors.

(l) Foreign currencies

(i) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates i.e. the "functional currency". These financial statements are presented in Indian rupees, which is also the functional currency of the Company.

(ii) Transactions and balances
Foreign currency transactions are recorded in functional currency at the exchange rates prevailing at the date of transaction. Exchange differences arising on settlement of transactions, are recognised as income or expense in the year in which they arise.

At the balance sheet date, all monetary items denominated in foreign currency, are reported at the exchange rates prevailing at the balance sheet date and the resultant gain or loss is 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 measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss, are also recognised in OCI or statement of profit and loss, respectively).

(m) Income taxes

Current income tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.
Current income tax relating to items recognised outside statement of profit and loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Payments of tax as per Minimum Alternative Tax (MAT) is included as part of current tax in statement of profit and loss.

Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements as at reporting date. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

MAT is applicable to the Company. Credit of MAT is recognised as deferred tax asset only when it is probable that taxable profit will be available against which the credit can be utilised. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss account. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is no longer probable that the Company will pay normal income tax during the specified period.

(n) Employee benefits

The Company’s employee benefits mainly include wages, salaries, bonuses, defined contribution plans, defined benefits plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees. Short-term employee benefits are recognised in Statement of Profit and Loss at undiscounted amounts during the period in which the related services are rendered.

Defined Contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

Defined benefits plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried out as at the reporting date, by an independent qualified actuary using the projected unit credit method.

The obligation towards the said benefits is recognised in the Balance Sheet, at the present value of the defined benefits obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest expenses are calculated by applying the above mentioned discount rate to defined benefits obligations. The interest expenses on the defined benefits obligations are recognised in the Statement of Profit and Loss. However, the related re-measurements of the defined benefits obligations are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions). Re-measurements are not re-classified to the Statement of Profit and Loss in any of the subsequent periods.

Other short-term employee benefits

The Company provides for the liability towards the compensated absences benefits on the basis of actuarial valuation carried out as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the Statement of Profit and Loss in the period in which they arise.

Share based payments

Employees (including senior executives) of the Company may also receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes Option Pricing Model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(o) Provisions and Contingent Liabilities

Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Decommissioning liability

The Company records a provision for decommissioning costs of a leased facility. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Earnings per share

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

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders of the Company (after adjusting the corresponding income/charge for dilutive potential equity shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(q) Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

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

(r) Borrowing costs

Borrowing costs to the extent directly attributable to the acquisition/construction of assets that necessarily take substantial period of time to get ready for their intended use are capitalised along with the respective property, plant and equipment up to the date such asset is ready for use. Other borrowing costs are charged to the statement of profit and loss.

(s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet and for the purpose of statement of cash flows comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

(t) Equity investments (in subsidiaries, associates and joint venture)

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any in separate financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

(u) Measurement of Earnings before Interest, tax, depreciation and amortization (EBITDA)

Ind AS compliant Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Company’s financial position /performance.

Accordingly, the Company has elected to present earnings before net finance cost, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, and tax expense.

(v) Exceptional items

Exceptional items refer to items of income or expense within the Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

(w) Recent Accounting Prouncements

On 23rd March 2022, the Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standard) Rules, 2022 which will come into force from 1st April 2022. In the rules, MCA has notified new standards and amendments to the existing standards. The Company is evaluating and assessing the impact of the amended rules on the Financial Statements.

(All amounts in Indian Rupees million unless otherwise stated)

3 Property, plant & equipment

Particulars	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Vehicles	Demonstration fixtures	Leasehold improvements	Electrical installations	Total	Capital work-in-progress*
Gross Block										
As at 1st April 2020	**609.98**	**40.52**	**81.43**	**157.74**	**11.07**	**127.76**	**374.73**	**0.79**	**1,404.02**	**20.69**
Additions	165.39	-	0.84	10.90	6.39	0.35	17.05	-	**200.92**	32.57
Disposals / Capitalized	4.16	1.96	7.97	12.46	-	-	4.42	-	**30.97**	20.51
Other adjustments	0.27	(1.77)	(0.56)	7.19	-	-	(2.99)	0.01	**2.15**	0.01
As at 31 March 2021	**771.48**	**36.79**	**73.76**	**163.37**	**17.46**	**128.11**	**384.37**	**0.80**	**1,576.14**	**32.76**
Additions	140.30	-	0.77	14.69	-	-	-	-	**155.76**	195.84
Disposals / Capitalized	-	-	0.33	10.28	-	-	0.02	-	**10.63**	46.36
Other adjustments	-	-	-	-	-	-	-	-	**-**	-
As at 31 March 2022	**911.78**	**36.79**	**74.20**	**167.78**	**17.46**	**128.11**	**384.35**	**0.80**	**1,721.27**	**182.24**
Accumulated Depreciation										
As at 1st April 2020	**235.09**	**34.83**	**70.12**	**149.44**	**11.07**	**127.71**	**252.26**	**0.13**	**880.65**	**-**
Charge for the year	87.40	3.30	8.70	9.62	0.19	0.10	29.06	0.08	**138.45**	**-**
Disposals / Capitalized	0.97	1.89	7.91	12.47	-	-	4.42	-	**27.66**	**-**
Other adjustments	(0.45)	(1.26)	(4.71)	6.39	-	-	5.76	-	**5.73**	-
As at 31 March 2021	**321.07**	**34.98**	**66.20**	**152.98**	**11.26**	**127.81**	**282.66**	**0.21**	**997.17**	**-**
Charge for the year	110.00	1.66	5.10	6.57	1.28	0.24	29.46	0.08	**154.39**	-
Disposals / Capitalized	-	-	0.09	10.29	-	-	-	-	**10.38**	-
Other adjustments	-	-	-	-	-	-	-	-	**-**	**-**
As at 31 March 2022	**431.07**	**36.64**	**71.21**	**149.26**	**12.54**	**128.05**	**312.12**	**0.29**	**1,141.18**	**-**
Net Block										
As at 31 March 2022	**480.71**	**0.15**	**2.99**	**18.52**	**4.92**	**0.06**	**72.23**	**0.51**	**580.09**	**182.24**
As at 31 March 2021	**450.41**	**1.81**	**7.56**	**10.39**	**6.20**	**0.30**	**101.71**	**0.59**	**578.97**	**32.76**

*Capital work-in-progress includes plant and machinery and computers.

Note : Certain property, plant and equipment are hypothecated as collateral against borrowings, the details of which have been described in note 11.

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(All amounts in Indian Rupees million unless otherwise stated)

Ageing of Capital work-in-progress; -

Particulars	**Amount in Capital work-in-progress for a period of**				**Total**
	Less than 1 year	**1 - 2 years**	**2-3 years**	**More than 3 years**	
As at 31 March 2022					
Projects in progress	182.24	-	-	-	182.24
Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	**182.24**	**-**	**-**	**-**	**182.24**

	Amount
Projects which have exceeded their original timeline	-
Projects which have exceeded their original budget	-

Particulars	**Amount in Capital work-in-progress for a period of**				**Total**
	Less than 1 year	**1 - 2 years**	**2-3 years**	**More than 3 years**	
As at 31 March 2021					
Projects in progress	32.76	-	-	-	32.76
Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	**32.76**	**-**	**-**	**-**	**32.76**

	Amount
Projects which have exceeded their original timeline	-
Projects which have exceeded their original budget	-

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(All amounts in Indian Rupees million unless otherwise stated)

4 Intangible assets

Particulars	Computer softwares and licenses	Internally generated software	Total
Gross Block			
As at 1st April 2020	**204.99**	**124.01**	**329.00**
Additions	13.46	-	13.46
Disposals	-	-	-
Other adjustments	(2.06)	1.64	(0.42)
As at 31 March 2021	**216.39**	**125.65**	**342.04**
Additions	7.17	-	7.17
Disposals	-	-	-
Other adjustments	-	-	-
As at 31 March 2022	**223.56**	**125.65**	**349.21**
Accumulated Amortisation			
As at 1st April 2020	**173.95**	**100.33**	**274.28**
Charge for the year	31.54	21.55	53.09
Disposals	-	-	-
Other adjustments	(3.21)	3.22	0.01
As at 31 March 2021	**202.28**	**125.10**	**327.38**
Charge for the year	6.81	2.13	8.94
Disposals	-	-	-
Other adjustments	1.58	(1.58)	-
As at 31 March 2022	**210.67**	**125.65**	**336.32**
Net Block			
As at 31 March 2022	**12.89**	**-**	**12.89**
As at 31 March 2021	**14.11**	**0.55**	**14.66**

5 Right of use asset

Particulars	Office building	Factory building	Warehouse Building	Total
Gross Block				
As at 1st April 2020	**72.45**	**159.15**	**11.55**	**243.15**
Additions	-	-	-	-
Disposals	9.64	-	8.86	18.50
As at 31 March 2021	**62.81**	**159.15**	**2.69**	**224.65**
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2022	**62.81**	**159.15**	**2.69**	**224.65**
Accumulated Depreciation				
As at 1st April 2020	**11.47**	**21.82**	**1.68**	**34.97**
Charge for the year	11.47	21.82	1.68	34.97
Disposals	4.36	-	2.57	6.93
As at 31 March 2021	**18.58**	**43.64**	**0.79**	**63.01**
Charge for the year	9.29	21.82	0.39	31.50
Disposals	-	-	-	-
As at 31 March 2022	**27.87**	**65.46**	**1.18**	**94.51**
Net Block				
As at 31 March 2022	**34.94**	**93.69**	**1.51**	**130.14**
As at 31 March 2021	**44.23**	**115.51**	**1.90**	**161.64**

(All amounts in Indian Rupees million unless otherwise stated)

6 Investment in subsidiaries and associate	**As at 31 March 2022**		**As at 31 March 2021**	
	No of Units	**Amount**	**No of Units**	**Amount**
Unquoted equity investments fully paid-up				
Investments in equity instruments of subsidiaries (at cost)				
Equity share of 1 HKD each fully paid up of Lava International (H.K.) Limited	10,000,000	57.48	10,000,000	57.48
Equity share of 1 HKD each fully paid up of Xolo International (H.K.) Limited	100,000	0.83	100,000	0.83
Equity shares of Rs. 10 each fully paid up of Lava Enterprises Limited	5,200,000	52.00	5,200,000	52.00
Equity Share of 1000 USD each fully paid up of China Bird Centroamerica, S.A. (refer note 10)	15,000	3,716.14	-	-
Equity shares of Rs. 10 each fully paid up of Sojo Manufacturing Services Private Limited	2,219,000	22.19	2,219,000	22.19
Equity shares of Rs. 10 each fully paid up of Sojo Manufacturing Services (A.P.) Private Limited	3,959,000	39.59	3,959,000	39.59
Equity shares of Rs. 10 each fully paid up of Sojo Distribution Private Limited	9,000	0.09	9,000	0.09
Equity shares of 1000 AED each fully paid up of Lava Technologies DMCC	18,350	339.41	18,350	339.41
Equity shares of 0.0001 USD each fully paid up of Lava Technologies L.L.C.	4,000,000,000	28.79	4,000,000,000	28.79
Investments in equity instruments of associate (at amortised cost)				
Equity share of Rs. 10 of MagicTel Solutions Private Limited	2,500	0.03	2,500	0.03
		4,256.55		**540.41**

7 Financial assets

7 (a) Investments (non-current) (unquoted)	**As at 31 March 2022**		**As at 31 March 2021**	
	No of Units	**Amount**	**No of Units**	**Amount**
Investments in equity instruments of other entities (at fair value through other comprehensive income)				
Equity Share of .001 SGD each fully paid up of Abhriya Pte. Ltd.*	63,830	-	63,830	-
		-		-
Aggregate amount of quoted investment		-		-
Aggregate amount of unquoted investment		-		-

*As at 31 March 2022, the Company has fair valued the investment at Nil (31 March 2021 - Nil) amount as there is no future economic benefit expected from the investment.

7 (b) Investments (current)	**As at 31 March 2022**		**As at 31 March 2021**	
	No of Units	**Amount**	**No of Units**	**Amount**
Investment in Mutual funds (Quoted)(at fair value through profit or loss)				
LIC MF - Ultra Short Term Funds - Regular Plan Growth	-	-	9,471.30	10.00
Less: Aggregate provision for diminution in value of investment		-		-
		-		**10.00**
Aggregate book value of quoted investment		-		**10.00**
Aggregate market value of quoted investment		-		**10.00**

(All amounts in Indian Rupees million unless otherwise stated)

7 (c) Trade receivables	**As at 31 March 2022**	**As at 31 March 2021**
Unsecured		
- Considered good	8,810.84	7,683.21
- Receivables from related parties, considered good (refer note 30)	765.00	433.64
- Considered doubtful	42.50	49.04
	9,618.34	**8,165.89**
Less :		
- Provision for doubtful debts	(42.50)	(49.04)
- Allowance for credit loss (ECL)	(1,033.00)	(728.80)
	8,542.84	**7,388.05**

Ageing of trade receivables: -

Particulars	**Not Due**	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6 months	**6 months to 1 year**	**1 - 2 years**	**2-3 years**	**More than 3 years**	
As at 31 March 2022							
Undisputed trade receivables - considered good	563.28	1,952.64	323.04	1,834.23	3,565.67	1,336.98	9,575.84
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	1.05	4.93	6.08	30.44	42.50
Total trade receivables	**563.28**	**1,952.64**	**324.09**	**1,839.16**	**3,571.75**	**1,367.42**	**9,618.34**
Less: Provision for doubtful debts							(42.50)
Less: Allowance for credit loss							(1,033.00)
Net trade receivables							**8,542.84**

Particulars	**Not Due**	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6 months	**6 months to 1 year**	**1 - 2 years**	**2-3 years**	**More than 3 years**	
As at 31 March 2021							
Undisputed trade receivables - considered good	65.81	1,127.63	1,257.07	3,809.93	1,833.56	22.85	8,116.85
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	0.35	2.21	4.67	10.84	21.75	9.22	49.04
Total trade receivables	**66.16**	**1,129.84**	**1,261.74**	**3,820.77**	**1,855.31**	**32.07**	**8,165.89**
Less: Provision for doubtful debts							(49.04)
Less: Allowance for credit loss							(728.80)
Net trade receivables							**7,388.05**

For terms and conditions relating to trade receivables (refer note 27)

(All amounts in Indian Rupees million unless otherwise stated)

To comply with the requirement of Ind AS 109 - Financial Instruments, the Company has created ECL for the year Rs. 304.20 million, total ECL as on 31 March 2022 of Rs. 1,033.00 million (31 March 2021: Rs. 728.80 million).
During the financial year 2020-21, it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 355.29 million (net of deferred tax asset of Rs 119.51 million), in compliance with the requirements of para 44 of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, had been adjusted to the retained earnings.

7 (d) Cash and cash equivalents	As at 31 March 2022	As at 31 March 2021
Cash on hand	5.04	2.08
Balances with banks:		
On current accounts	149.45	110.69
Deposits with original maturity of less than three months # (Refer footnote to note 7(f))	66.15	68.31
	220.64	**181.08**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

7 (e) Other bank balances	As at 31 March 2022	As at 31 March 2021
Deposits with bank for original maturity of more than three months but less than twelve months #(Refer footnote to note 7(f))	601.92	1,612.66
	601.92	**1,612.66**

7 (f) Other financial asset (Non-current)	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good unless		
Security deposits		
- Considered good	27.62	25.33
- Considered doubtful	4.92	4.92
	32.54	**30.25**
Less: Provision for doubtful deposits	(4.92)	(4.92)
	27.62	**25.33**
Bank deposits with remaining maturity of more than twelve months #	1,017.51	1.06
Interest accrued on bank deposits	0.72	0.43
	1,045.85	**26.82**
# Includes margin money deposits under lien (refer note 7 (d), note 7 (e) and, note 7 (f)):-		
- against letter of credit facility, bank guarantees and other margin	1,226.80	1,226.30
- against amount paid under protest (excluding interest accrued) (refer note 31(B)(b)(i))	300.00	300.00

7 (g) Other financial assets (current)	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good unless		
Security deposits	10.86	6.58
Interest accrued on bank deposits	155.19	123.38
Derivative asset	0.67	-
Others receivables		
- Considered good*	882.49	858.72
	1,049.21	**988.68**

* Includes other receivables from related parties amounting to Rs.200.37 million (31 March 2021 : Rs 220.39 million).

(All amounts in Indian Rupees million unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
8	**Inventories (Valued at lower of cost or net realisable value)**		
	Raw materials and components (refer note 1 & 2 below)	2,802.05	1,449.80
	Finished goods (refer note 2 below)	1,067.39	922.53
	Traded goods (refer note 2 below)	6.57	102.06
	Spares (refer note 1 & 2 below)	477.05	789.17
		4,353.06	**3,263.56**
	Note 1 including stock in transit		
	- Raw materials and components	658.77	230.09
	- Spares	-	162.94
	Note 2 The above inventory is net of :-		
	a) Write down of inventory from cost to net realisable value		
	Finished goods	25.82	11.22
	Traded goods	1.12	5.29
	Spares	9.90	58.13
	b) Write down of inventory for obsolescence		
	Finished goods	13.38	5.41
	Traded goods	-	4.53
	Spares	145.45	102.40
	Raw materials and components	2.04	5.38

		As at 31 March 2022	As at 31 March 2021
9 (a)	**Other non-current assets**		
	Unsecured, considered good, unless otherwise stated		
	Capital advances	94.54	50.77
	Prepaid expenses	2.30	0.15
		96.84	**50.92**

			As at 31 March 2022	As at 31 March 2021
9 (b)	**Other current assets**			
	Unsecured, considered good, unless otherwise stated			
	Prepaid expenses	**(A)**	256.75	39.17
	Balance with statutory/ government authorities (refer note 31 (B) & 34)	**(B)**	581.86	722.46
	Advances to vendors			
	- Considered good		1,209.48	1,355.32
	- Advances to related parties, considered good (refer note 30)		124.06	101.96
	- Considered doubtful		14.89	56.18
			1,348.43	1,513.46
	Less: Provision for doubtful advances		(14.89)	(56.18)
		(C)	**1,333.54**	**1,457.28**
	Others	**(D)**	207.85	86.40
	Total (A + B + C + D)		**2,380.00**	**2,305.31**

(All amounts in Indian Rupees million unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
10	**Equity share capital and instruments entirely equity in nature**		
	Authorised share capital		
	782,000,000 equity shares of Rs. 5 each (31 March 2021 : 147,900,000 equity shares of Rs. 10 each)	3,910.00	1,479.00
	100,000 (31 March 2021: 100,000) Compulsory Convertible Preference Share (CCPS) of Rs 10 each	1.00	1.00
	500,000 (31 March 2021: 500,000) Compulsory Convertible Preference Shares (CCPS) of Rs. 100 each	50.00	50.00
		3,961.00	**1,530.00**
	Issued, subscribed and fully paid-up share capital		
	541,126,216 equity shares of Rs. 5 each (31 March 2021 : 124,866,902 equity shares of Rs. 10 each)	2,705.63	1,248.67
	100,000 (31 March 2021 : 100,000) Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each.	1.00	1.00
	324,172 (31 March 2021 : 500,000) Compulsory Convertible Preference Shares (CCPS) of Rs. 100 each	32.42	50.00
	Total issued, subscribed and fully paid-up share capital	**2,739.05**	**1,299.67**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

(i) Equity shares

	Amount		No of Shares	
	As at 31 March 2022	**As at 31 March 2021**	**As at 31 March 2022**	**As at 31 March 2021**
At the beginning of the year	1,248.67	1,248.67	124,866,902	124,866,902
Right shares issued during the year [refer below (a) and (b)]	19.14	-	1,913,695	-
CCPS Conversion [refer below (c)]	15.29	-	1,528,834	-
Shares Split (Rs. 10 per share to Rs. 5 per share) [refer below (e)]	-	-	128,309,431	-
Bonus shares issued during the year [refer below (f)]	1,283.09	-	256,618,862	-
Issued during the year [refer below (g)]	139.44	-	27,888,492	-
Outstanding at the end of the year	**2,705.63**	**1,248.67**	**541,126,216**	**124,866,902**

a) Pursuant to approval of board of directors of the Company in the meeting held on 18th May, 2021, 1,350,844 equity shares of Rs. 10 each were alloted on right shares basis at a premium of Rs. 523 per share.

b) Pursuant to approval of board of directors of the company in the meeting held on 5th June, 2021, 562,851 equity shares of Rs. 10 each were alloted on right shares basis at a premium of Rs. 523 per share.

c) Pursuant to approval of board of directors of the company in the meeting held on 9th August, 2021, 175,828 CCPS were converted into 15,28,834 equity shares of Rs. 10 each at a premium of Rs. 1.5 per share.

d) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 28th June, 2021, the Company increased the existing authorized share capital from Rs. 1,530,000,000 divided into (i) 147,900,000 equity shares of Rs. 10 each; (ii) 100,000 CCPS of Rs. 10 each; and (iii) 500,000 CCPS of Rs. 100 each to Rs. 3,961,000,000 divided into (i) 391,000,000 equity shares of Rs. 10 each; (ii) 100,000 CCPS of Rs. 10 each; and (iii) 500,000 CCPS of Rs. 100 each.

e) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September, 2021, the Company undertook a stock split of one existing equity share of Rs. 10 each into two fully paid up equity shares of Rs. 5 each. As a result of the above transaction, the authorised number of equity shares have been increased to 782,000,000 equity shares of the Company having a face value of Rs. 5 each from 391,000,000 equity shares of the Company having a face value of Rs. 10 each.

(All amounts in Indian Rupees million unless otherwise stated)

f) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September, 2021, the Company issued and allotted fully paid-up "bonus shares" at par in proportion of one new equity shares of Rs. 5 each for every one existing fully paid up equity share of Rs. 5 each held to the shareholders as on the record date of 08th September, 2021.

g) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September, 2021, a total of 27,888,492 equity shares were created, offered, issued and alloted at a face value of Rs. 5 each to Clipper Global S.A. for consideration other than cash on the preferential cum private placement basis.

(ii) Instruments entirely equity in nature -Compulsory Convertible Preference Shares (CCPS)

	Amount		No of Shares	
	As at 31 March 2022	**As at 31 March 2021**	**As at 31 March 2022**	**As at 31 March 2021**
At the beginning of the year	51.00	50.00	600,000	500,000
Converted to equity and other equity	(17.58)	-	(175,828)	
Transfer during the year	-	1.00	-	100,000
Outstanding at the end of the year	**33.42**	**51.00**	**424,172**	**600,000**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 5 per share (31 March 2021: Rs. 10 per share). Each holder of equity shares is entitled to one vote per share and dividends in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual 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.

Terms/ rights attached to compulsory convertible preference shares (CCPS)

i. During financial year 2017-18, the Company has issued 500,000 CCPS of Rs.100 each. The preference shares shall collectively be entitled to dividend of 0.0001% of the aggregate face value of the preference shares. As per the terms of Subscription and Shareholders Agreement, the preference shares may be converted, at any time at the discretion of the CCPS holder, into fixed number of equity shares. Further, if any of the preference shares have not been converted into equity shares within 19 years and 11 months, remaining preference shares shall be automatically and compulsorily converted into equity shares upon the expiry of such period.

In the financial year 2021-22, Pursuant to approval of board of directors of the company in the meeting held on 9th Aug, 2021, 175,828 CCPS were converted into 1,528,834 Equity Shares of Rs. 10 each at the premium of Rs. 1.5 per Share.

ii. During financial year 2017-18, the Company had issued 100,000 CCPS of Rs. 10 each for a consideration of Rs. 520.00 million. The CCPS shall carry a coupon of 0.0001% and shall be non-cumulative in nature, which is to be declared at the discretion of the shareholder of the Company. The preference shares may be converted into the equity shares at any time at the discretion of the CCPS holder, subject to the terms of the agreement. If, any of the preference shares have not been converted to equity shares within 10 years from the allotment date, then such remaining preference shares shall be compulsorily converted into equity shares upon the expiry of such period.

During the financial year 2020-21, based on the terms of Investment agreement, and confirmation of the number of shares to be issued, and price thereof, CCPS which were earlier classified under 'Borrowing (non-current)' met the criterion of Equity and accordingly the amount had been reclassified as ‘Instruments entirely equity in nature’ and 'Security premium'.

In response to the exercise the option available, the Company has to issue 5,368,832 equity shares against 100,000 CCPS.

(All amounts in Indian Rupees million unless otherwise stated)

(c) Number of bonus shares issued during the period of five years immediately preceding the reporting date:

	No of Shares				
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Equity shares allotted during the year as fully paid bonus shares	256,618,862	-	-	-	93,650,175

(d) Details of shareholders holding more than 5% shares in the Company:

Equity Shares of Rs. 5 each fully paid (31 March 2021 : Rs 10 each fully paid)

	No of Shares		Percentage shareholding	
Name of Shareholders	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2022**	**As at 31 March 2021**
Hari Om Rai	180,335,560	45,083,890	33.33%	36.11%
Sunil Bhalla	113,561,488	28,390,372	20.99%	22.74%
Vishal Sehgal	88,417,408	22,104,352	16.34%	17.70%
Shailendra Nath Rai	46,984,112	11,746,028	8.68%	9.41%
Shibani Sehgal	29,042,880	7,260,720	5.37%	5.81%
Clipper Global S.A.	27,888,492	-	5.15%	0.00%

Instruments entirely equity in nature -Compulsory Convertible Preference Shares (CCPS)

	No of Shares		Percentage shareholding	
Name of Shareholders	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2022**	**As at 31 March 2021**
UNIC Memory Technology (Hong Kong) Limited Compulsory Convertible Preference Shares (CCPS) of Rs. 100/- each	324,172	500,000	100.00%	100.00%
Bennett Coleman Company Limited Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each	100,000	100,000	100.00%	100.00%

(e) Shareholdings of Promoters

Equity Share held by promoters as of 31st March 2022

Promoters Name	No of Shares	% of total Shares	% Change during the year
Hari Om Rai	180,335,560	33.33%	-2.78%
Sunil Bhalla	113,561,488	20.99%	-1.75%
Vishal Sehgal	88,417,408	16.34%	-1.36%
Shailendra Nath Rai	46,984,112	8.68%	-0.72%
Total	**429,298,568**	**79.33%**	

Equity Share held by promoters as of 31st March 2021

Promoters Name	No of Shares	% of total Shares	% Change during the year
Hari Om Rai	45,083,890	36.11%	0%
Sunil Bhalla	28,390,372	22.74%	0%
Vishal Sehgal	22,104,352	17.70%	0%
Shailendra Nath Rai	11,746,028	9.41%	0%
Total	**107,324,642**	**85.95%**	

(All amounts in Indian Rupees million unless otherwise stated)

(f) Shares reserved for issue under options :

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 36.

11 Financial liabilities

11(a) Borrowings (Non-current)

	As at 31 March 2022	As at 31 March 2021
Secured (refer note I)		
Non-Convertible Debentures	250.00	-
Term loan from banks	1.54	-
Term loan from other parties	273.25	-
	524.79	**-**
Current maturities of non current borrowings [refer note 11(b)]	92.76	65.88

Note I:

(i) Non-Convertible Debentures (NCDs) has been issued during the period amounting to Rs.250 million (31 March 2021: Nil). The amount outstanding against the said loan is Rs. 250.00 million (31 March 2021: Nil) which carries interest @ 12.41% p.a (31 March 2021: Nil) and is scheduled to be repaid on 25th March 2024. The loan is secured by first and exclusive charge by pledge of certain shares of the Company held by the promoters. Further, the loan has been personally guaranteed by certain directors of the Company.

(ii) Car loan has been obtained from HDFC bank amounting to Rs. 2.32 million (31 March 2021: Nil) and the amount outstanding against the said loan is Rs. 1.96 million (31 March 2021: Nil) which carries interest @ 7.50% p.a. and repayable in 60 equal monthly instalments starting from 07th May 2021. The loan is scheduled to be repaid by 07th April 2026. The loan is secured against the vehicle funded out of aforesaid loan.

(iii) Term loan from Bajaj Finance Ltd. has been obtained and amount outstanding is Rs. 350 million (31 March 2021: Nil) which carries interest @ 8.75% p.a. and repayable in 51 equal monthly instalments starting from 05th April 2022 to 05th June 2026. The loan is secured by exclusive charge over plant and machinery funded under the term loan with minimum Fixed Assets Coverage Ratio (FACR) of 1.33x and on second pari-passu charge on overall current assets (current and future) of the Company. Further, the loan has been personally guaranteed by certain directors of the Company.

(iv) Term loan from Oxyzo Financial Services Private Ltd. has been obtained amounting of Rs. 20 million (31 March 2021: Nil) and the amount outstanding against the said loan is Rs. 15.59 million (31 March 2021: Nil) which carries interest @ 12.25% p.a. and repayable in 24 equal monthly instalments. The loan is scheduled to be repaid by 05 September 2023. The loan is secured by personal guaranteed by director of the Company.

(v) Term loan from HDFC bank amounting to Nil (31 March 2021: Rs. 57.11 million) which carries interest Nil (31 March 2021: 8.80% - 10.60% p.a.) and repayable in equal monthly instalments starting after 6 months from month of first disbursement. The loan stands fully repaid by 06th November 2021. The loan was secured on first pari-passu charge basis by way of hypothecation of machinery and equipment purchased from the term loan and further secured on second pari-passu charge basis by way of hypothecation of overall current assets (current and future) of the Company. Further, the loan has been personally guaranteed by certain directors of the Company.

(vi) Term loan from Punjab national bank (erstwhile United Bank Of India) amounting to Nil (31 March 2021: Rs. 11.20 million). The amount outstanding against the said loan is Nil (31 March 2021: Rs. 8.77 million) which carries interest @ 8.25% p.a and repayable in 18 equal monthly instalments after a moratorium period of 6 months from date of disbursement of loan. The loan fully repaid by 31 March 2022. The loan was secured on first pari-passu charge basis by way of hypothecation on overall current assets (current and future) of the Company, first pari-passu charge on fixed assets of the Company (except as funded by term loan lenders), second pari-passu charge on fixed assets of the Company funded by term lenders and first pari-passu charge on collateral securities. Further, the loan has been personally guaranteed by certain directors of the Company and their relatives.

Note II: Satisfaction of charges

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(All amounts in Indian Rupees million unless otherwise stated)

11(b) Borrowings (current)

	As at 31 March 2022	As at 31 March 2021
Cash credit / overdraft facility from banks (repayable on demand)*	890.09	725.32
Buyer's credit*	248.48	-
Working capital demand loan**	370.00	240.00
Current maturities of non current borrowings [refer note 11(a)]	92.76	65.88
	1,601.33	**1,031.20**

*Secured by way of hypothecation on first pari- passu charge basis, on overall current assets of the Company (current and future) and collateral securities/personal guarantees of promoter directors and relative of promoter directors. The said loan is further secured:

(1) by way of a first charge on pari-passu basis, of existing and future movable fixed assets of the Company excluding software and machineries/ assets created by way of term loans from other banks and financial institutions.

(2) by way of a second charge on pari-passu basis, of such existing and future movable fixed assets of the borrower such machineries/ other assets which are created by way of term loans from other banks and financial institutions. The cash credit is repayable on demand and carries interest @ 10.55% p.a. to 12.10% p.a. Buyer's credit carries interest @ SOFR +0.50% p.a. to SOFR +1% p.a.

**Secured by way personal guarantees of promoter of the company. This facility is repayable on demand and carries interest @7.50% p.a. (31st March 2021: 7.50% p.a.)

Note I:
In respect of working capital loans, quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts.

11(c) Trade payables

	As at 31 March 2022	As at 31 March 2021
Micro and small enterprises (refer note 32)	241.90	20.37
Other than micro and small enterprises	3,170.96	3,597.02
Payable to related parties (refer note 30)	0.12	0.22
	3,412.98	**3,617.61**

Ageing of trade payables: -

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022					
Outstanding dues to micro and small enterprises	241.49	0.41	-	-	**241.90**
Others	2,811.25	3.49	3.79	7.45	**2,825.98**
Disputed - dues to micro and small enterprises	-	-	-	-	**-**
Disputed - Others	7.63	-	2.11	0.04	**9.78**
Total trade payables	**3,060.37**	**3.90**	**5.90**	**7.49**	**3,077.66**
Provision for Expenses					**335.32**
Net trade payables					**3,412.98**

(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2021					
Outstanding dues to micro and small enterprises	20.35	-	-	0.02	**20.37**
Others	3,171.81	14.57	51.91	51.07	**3,289.36**
Disputed - dues to micro and small enterprises	-	-	-	-	**-**
Disputed - Others	-	-	-	-	**-**
Total trade payables	**3,192.16**	**14.57**	**51.91**	**51.09**	**3,309.73**
Provision for Expenses					**307.88**
Net trade payables					**3,617.61**

11(d) Lease liabilities (Non-current)

	As at 31 March 2022	As at 31 March 2021
Lease Liability (refer note 37)	132.43	162.60
	132.43	**162.60**

11(e) Lease liabilities (current)

	As at 31 March 2022	As at 31 March 2021
Lease Liability (refer note 37)	30.16	23.75
	30.16	**23.75**

11 (f) Other financial liabilities (current)

	As at 31 March 2022	As at 31 March 2021
Payable for capital purchases	1.12	47.26
Security deposits	1,271.36	922.00
Inter company deposit	30.00	-
Interest accrued on borrowings	4.96	0.95
Employee payables	46.94	31.12
Derivative liability	-	5.15
	1,354.38	**1,006.48**

12 (a) Provisions (Non-Current)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (refer note 28)	54.45	48.53
Other provisions		
Provision for decommissioning liabilities #	2.06	3.02
	56.51	**51.55**

Under few operating lease agreements entered by the Company, it has to incur restoration cost for restoring lease premises to the original condition at the time of expiry of lease period. The timing of the outflows is expected to be in next 3 years. The impact of discounting is not considered being immaterial and hence ignored.

(All amounts in Indian Rupees million unless otherwise stated)

12 (b) Provisions (Current)	**As at 31 March 2022**	**As at 31 March 2021**
Provision for employee benefits		
Provision for gratuity (refer note 28)	21.49	17.53
Provision for compensated absences	24.30	27.54
	45.79	**45.07**
Other provisions		
Provision for warranties*	101.56	118.78
	101.56	**118.78**
	147.35	**163.85**

* The Company provides warranty on its products by giving an undertaking to repair/replace items to the customers, which fails to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligations of repair/replacement. The timing of the outflows is expected to be in next 12 months (31 March 2021 : 12 months).

Provision for warranties	**As at 31 March 2022**	**As at 31 March 2021**
At the beginning of the year	118.78	110.02
Arising during the year	68.81	146.04
Less: Utilized / reversed during the year	(86.03)	(137.28)
At the end of the year	**101.56**	**118.78**

Provision for decommissioning liabilities	**As at 31 March 2022**	**As at 31 March 2021**
At the beginning of the year	3.02	3.02
Less: Reversed during the year	(0.96)	-
At the end of the year	**2.06**	**3.02**

13 Other current liabilities	**As at 31 March 2022**	**As at 31 March 2021**
Advance from customers	351.11	347.06
Tax deductible at source	23.05	17.21
Other statutory liabilities	32.14	29.92
	406.30	**394.19**

14 Current tax liabilities (net)	**As at 31 March 2022**	**As at 31 March 2021**
Provision for income tax*	256.26	356.25
	256.26	**356.25**

*Net of advance tax and TDS receivable amounting to Rs. 3,461.34 million (31 March 2021: Rs. 3,076.36 million)

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(All amounts in Indian Rupees million unless otherwise stated)

15 Revenue from operations	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Sale of products (refer note 30)	18,109.59	15,924.77
Sale of services	105.41	228.00
Other operating revenues		
- Scrap sale	2.81	4.78
- Export incentives	4.55	9.27
	18,222.36	**16,166.82**

16 Other income	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Interest income on financial asset at amortised cost	1.37	1.35
Interest income on fixed deposits with banks	69.69	74.00
Net gain on sale of mutual fund investments	0.35	0.55
Fair value gain on derivative financial instruments at fair value through profit or loss	5.82	-
Gain/ (Loss) on Investment at fair value through profit or loss	-	2.00
Foreign exchange differences (net)	93.35	-
Profit on sale of property, plant and equipment	-	1.00
Miscellaneous income	30.59	19.57
	201.17	**98.47**

17 Cost of raw material and components consumed	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Inventory materials at the beginning of the year	1,449.80	649.37
Purchase during the year	12,826.04	12,367.17
Less: Inventory materials at the end of the year	(2,802.05)	(1,449.80)
	11,473.79	**11,566.74**

18 Changes in inventories of finished goods, spares and stock in trade	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Inventories at the end of the year		
Traded goods	6.57	102.06
Spares for handsets	477.05	789.17
Finished goods	1,067.39	922.53
	1,551.01	**1,813.76**
Inventories at the beginning of the year		
Traded goods	102.06	31.52
Spares for handsets	789.17	949.25
Finished goods	922.53	242.28
	1,813.76	**1,223.05**
	262.75	**(590.70)**

(All amounts in Indian Rupees million unless otherwise stated)

19 Employee benefit expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salary, wages and bonus (refer note 30)	992.49	987.09
Contribution to provident and other funds (refer note 28)	50.96	48.54
Gratuity expense (refer note 28)	16.49	15.23
Share based payment expense (refer note 36)	126.69	85.54
Staff welfare, recruitment and training	232.26	195.45
	1,418.89	**1,331.85**

20 Other expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel	39.36	42.72
Rent	54.82	55.70
Rates and taxes	7.44	3.52
Insurance	14.39	11.32
Repair and maintenance - others	60.87	67.08
Advertisement and marketing expenses	222.31	118.78
Sales promotion, Scheme expenses and ECL Provision [refer note 7(c) for ECL]	711.39	490.37
Freight and cartage	152.04	133.68
Outsourced salary cost	22.09	39.22
Travelling and conveyance	57.56	30.99
Communication costs	7.81	7.28
Warranty expenses	68.81	146.04
Legal and professional fees	124.40	144.56
Payment to auditor (refer details below)	7.26	3.95
Foreign exchange differences (net)	-	56.95
Donation	0.05	-
Corporate social responsibility expense (refer note 33)	8.10	35.65
Loss on sale of property, plant and equipment	0.08	-
Fair value loss on derivative financial instrument at fair value through profit or loss	-	10.93
Miscellaneous expenses	23.95	2.27
	1,582.73	**1,401.01**

Payment to auditor

	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
Audit fee	3.60	3.60
Tax audit fee	0.35	0.35
Reimbursement of expenses	0.18	-
Other services	3.13	-
	7.26	**3.95**

21 Depreciation and amortisation expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation expense		
- on Property, Plant & Equipment	154.39	138.45
- on ROU Asset	31.50	34.97
Amortisation expense on Intangible Assets	8.94	53.09
	194.83	**226.51**

(All amounts in Indian Rupees million unless otherwise stated)

22	**Finance costs**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
	Interest on		
	-Term loan	75.28	14.05
	-Cash credit	51.38	106.96
	-Security deposits	4.33	7.36
	-Income tax	42.89	47.10
	-on Lease Liability (refer note 37)	20.78	24.98
	Bank charges	113.51	84.64
		308.17	**285.09**

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(All amounts in Indian Rupees million unless otherwise stated)

23 Income tax

(a) The major components of income tax expense for the year ended as follows are:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
Current income tax charge	261.30	332.56
Adjustments in respect of income tax of previous year	(16.21)	(30.80)
Deferred tax :		
Relating to origination and reversal of temporary differences	(86.52)	(197.34)
Total tax expense on profit of the year (a)	**158.57**	**104.42**
Other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during in the year:		
- Re-measurement losses of defined benefit plan	(0.02)	(0.42)
- Change in fair value of FVOCI equity instruments	-	-
Total tax expense on other comprehensive income of the year (b)	**(0.02)**	**(0.42)**
Total tax expense on total comprehensive income of the year (a) + (b)	**158.55**	**104.00**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	564.06	518.82
Applicable tax rate	25.17%	25.17%
Expected tax expense (A)	141.97	130.59
Expenses not considered in determining taxable profit	25.39	34.71
Income not considered in determining taxable profit	(2.99)	(3.93)
Tax pertaining to earlier years	(16.21)	(30.80)
Others	10.41	(26.70)
Total adjustments (B)	**16.60**	**(26.72)**
Actual tax expense {C= A+B}	158.57	103.86
Tax expense recognised in statement of profit and loss	**158.57**	**104.42**
Effective Tax Rate	**28.11%**	**20.13%**

(c) Deferred tax

Deferred tax relates to the following:	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax assets on account of:		
Property, plant and equipment	(82.67)	(82.04)
Employee benefits and other payable	(25.23)	(23.55)
Allowance for credit loss (ECL) & provision for doubtful Advances (refer note 7(c))	(274.45)	(209.92)
Provision for obsolescence inventories	(14.00)	(14.00)
Deferred tax related to other comprehensive income of the year:		
Re-measurement losses of defined benefit plan	3.79	3.77
Change in fair value of FVTOCI equity instruments	(2.31)	(2.31)
Deferred tax liability on account of:		
Tax on custom duty to be paid in future years (Refer Note 34)	79.38	98.58
Fair valuation of investment	-	0.50
Net deferred tax liability/ (Asset) including other comprehensive income of the year	**(315.49)**	**(228.97)**

(All amounts in Indian Rupees million unless otherwise stated)

Movement in deferred tax assets for the year ended 31 March 2022

	As at 31 March 2021	Recognised in Retained earnings	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2022
Property, plant and equipment	(82.04)	-	-	(0.64)	(82.67)
Employee benefits and other payable	(23.55)	-	-	(1.68)	(25.23)
Allowance for credit loss (ECL) & provision for doubtful Advances (refer note 7(c))	(209.92)	-	-	(64.53)	(274.45)
Provision for obsolescence inventories	(14.00)	-	-	0.00	(14.00)
Fair valuation of investment	0.50	-	-	(0.50)	-
Others	-	-	-	-	-
Tax on custom duty to be paid in future years (Refer Note 34)	98.58	-	-	(19.20)	79.38
Others	-	-	-	-	-
Deferred tax related to other comprehensive income of the year:					
Re-measurement losses of defined benefit plan	3.77	-	0.02	-	3.79
Change in fair value of FVTOCI equity instruments	(2.31)	-		-	(2.31)
Total	**(228.97)**	**-**	**0.02**	**(86.51)**	**(315.49)**

Movement in deferred tax assets for the period ended 31 March 2021

	As at 31 March 2020	Recognised in Retained earnings	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2021
Property, plant and equipment	(98.70)	-	-	16.66	(82.04)
Employee benefits and other payable	(31.77)	-	-	8.22	(23.55)
Allowance for credit loss (ECL) & provision for doubtful Advances (refer note 7(c))	(41.77)	(119.51)	-	(48.64)	(209.92)
Provision for obsolescence inventories	-	-	-	(14.00)	(14.00)
Fair valuation of investment	(0.32)	-	-	0.82	0.50
Others	(0.73)	-		0.73	-
Tax on custom duty to be paid in future years (Refer Note 34)	259.70	-	-	(161.12)	98.58
Others	-	-	-	-	-
Deferred tax related to other comprehensive income of the year:		-			-
Re-measurement losses of defined benefit plan	4.19	-	(0.42)	-	3.77
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	-	(2.31)
Total	**88.29**	**(119.51)**	**(0.42)**	**(197.33)**	**(228.97)**

(All amounts in Indian Rupees million unless otherwise stated)

24 Earnings per share (EPS)

The computation of earnings per share is as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Nominal value of equity shares	5	10
Profit attributable to equity shareholders for computing basic and dilutive EPS (A)	405.49	414.40
Weighted average number of equity shares for calculating basic EPS		
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)*	527,934,041	124,866,902
Dilutive effect of share based payments on weighted average number of equity shares outstanding during the year	30,888,097	6,402,958
Dilutive effect of compulsory convertible preference shares on weighted average number of equity shares outstanding during the year	16,643,640	5,689,744
Weighted average number of equity shares outstanding during the year for computing Diluted EPS (C)	575,465,778	136,959,604
Basic earning per share (A/B)	**0.77**	**3.32**
Diluted earning per share (A/C)	**0.70**	**3.03**
Adjusted Basic Earning per share *	**NA**	**0.83**
Adjusted Diluted Earning per share *	**NA**	**0.76**

* The Company has given the effect of stock split to the face value of equity shares from Rs. 10 each to Rs. 5 each and also issued bonus shares to the equity shareholder's in the ratio of 1:1. Accordingly, Basic and Diluted earning per share of previous financial year has been calculated as per the requirement of Para 64 of Ind AS 33 - Earnings Per Share.

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(All amounts in Indian Rupees million unless otherwise stated)

25 Fair value measurement

a) The carrying value and fair value of financial instruments by categories are as under:

	Notes	31 March 2022			31 March 2021		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Assets							
Non-current assets							
Financial assets							
Other financial asset	7 (f)	-	-	1,045.85	-	-	26.82
		-	**-**	**1,045.85**	**-**	**-**	**26.82**
Current assets							
Financial assets							
Investments	7 (b)	-	-	-	10.00	-	-
Trade receivables	7 (c)	-	-	8,542.84	-	-	7,388.05
Cash and cash equivalents	7 (d)	-	-	220.64	-	-	181.08
Other bank balances	7 (e)	-	-	601.92	-	-	1,612.66
Derivative asset	7 (g)	0.67	-	-	-	-	-
Others financial assets	7 (g)	-	-	1,048.54	-	-	988.68
		0.67	**-**	**10,413.94**	**10.00**	**-**	**10,170.47**
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	11 (a)	-	-	524.79	-	-	-
Lease liabilities	11 (d)	-	-	132.43	-	-	162.60
		-	**-**	**657.22**	**-**	**-**	**162.60**
Current liabilities							
Financial liabilities							
Borrowings	11 (b)	-	-	1,601.33	-	-	1,031.20
Lease liabilities	11 (e)	-	-	30.16	-	-	23.75
Trade payables	11 (c), 32	-	-	3,412.98	-	-	3,617.61
Derivative liabilities	11 (f)	-	-	-	5.15	-	-
Other financial liabilities	11 (f)	-	-	1,354.38	-	-	1,001.33
		-	**-**	**6,398.85**	**5.15**	**-**	**5,673.89**

The fair values of trade receivables, cash and cash equivalents, other current financial asset, trade payables and other current financial liabilities are considered to be same as their carrying values due to their short term nature.

The carrying amounts of other items carried at amortised cost are reasonable approximation of their fair values on respective reporting date.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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(All amounts in Indian Rupees million unless otherwise stated)

25 b) Fair value hierarchy and valuation techniques used to determine fair values:

To provide an indication about the reliability of inputs used in determining fair value, the Company has classified its financial instrument into three levels prescribed under the accounting standard. The following table provides the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities are as :

	Fair value measurement using			
At 31 March 2022	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at FVTPL				
Derivative assets	-	0.67	-	**0.67**
Assets measured at FVTOCI				
Investment in equity instrument	-	-	-	**-**
Liability measured at FVTPL				
Derivative liabilities	-	-	-	**0.00**

	Fair value measurement using			
At 31 March 2021	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at FVTPL				
Investment in mutual funds	10.00	-	-	**10.00**
Assets measured at FVTOCI				
Investment in equity instrument	-	-	-	**-**
Liability measured at FVTPL				
Derivative liabilities	-	5.15	-	**5.15**

* Investment in Abhriya Pte. Ltd. has been valued at zero value i.e. at fair value and it has been shown in other reserve amounting to Rs 7.69 million in Reserve and surplus.

- There were no transfers between the Level 1, Level 2 and Level 3 during the years presented.
- There is no change in the valuation technique during the year.

Valuation techniques used to derive Level 1 fair values

Derivative liability representing future foreign exchange contracts have been fair valued using future exchange rates that are quoted in the active market.

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Valuation techniques used to derive Level 2 fair values

Derivative asset/liability representing forward foreign exchange contracts have been fair valued using dealer/counter party quotes at balance sheet date.

Valuation techniques used to derive Level 3 fair values

Inputs for the assets or liabilities that are not based on observable market data. A one percent change in the unobservable inputs used in fair valuation of Level 3 assets does not have a significant impact in its value.

(All amounts in Indian Rupees million unless otherwise stated)

26 Capital management

The Company's objectives while managing capital are to safeguard its ability to continue as a going concern and to provide adequate returns for its shareholders and benefits for other stakeholders. The Company's policy is generally to optimise borrowings at an operating company level within an acceptable level of debt. The Company's policy is to borrow using a mixture of long-term and short-term debts together with cash generated to meet anticipated funding requirements.

The Company monitors capital using a gearing ratio, which is calculated as underlying net debt divided by total capital plus underlying net debt. The Company's policy is to keep the gearing ratio below 40%. The Company measures its underlying net debt as total debt reduced by cash and cash equivalents. The Company monitors compliance with its debt covenants. The Company has complied with all debt covenants at all reporting dates.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2022 and 31st March, 2021.

Particulars	31 March 2022	31 March 2021
Borrowings	2,126.12	1,031.20
Less: Cash and cash equivalents	(220.64)	(181.08)
Net debt (a)	**1,905.48**	**850.12**
Equity	15,845.27	10,577.00
Total capital (b)	**15,845.27**	**10,577.00**
Capital and net debt (a) + (b) = (c)	**17,750.75**	**11,427.12**
Gearing ratio (%) (a) / (c)	10.73%	7.44%

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(All amounts in Indian Rupees million unless otherwise stated)

27 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and overdrafts, and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash, and short-term deposits, which arise directly from its operations. The Company also holds mutual fund investments and enters into derivative transactions.

The main risks arising from the Company's financial instruments are price risk, interest rate risk, liquidity risk, foreign currency risk, and credit risk.

The Board of Directors review and agree policies for managing each of these risks which are summarised below.

Price risk

The Company is mainly exposed to the price risk due to its investment in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies. The Company does not have significant investment in equity instruments.

Set out below is the impact of a 1 % movement in the NAV of mutual funds on the Company's profit before tax:

Particulars	31 March 2022	31 March 2021
Effect on profit before tax:		
NAV increase by 100 bps	-	0.10
NAV decrease by 100 bps	-	(0.10)

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates. The Company's policy is to manage its interest cost using a mix of fixed, floating rate borrowings.
The following table provides a breakdown of the Company's fixed and floating rate borrowings:

Particulars	31 March 2022	31 March 2021
Fixed rate borrowings	617.55	-
Floating rate borrowings	1,508.57	1,031.20
Total	**2,126.12**	**1,031.20**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, being a 0.5% increase or decrease in interest rate, with all other variables held constant, of the Company's profit before tax due to the impact on floating rate borrowings.

Particulars	31 March 2022	31 March 2021
Effect on profit before tax:		
PLR*- decrease by 50 bps	7.54	5.16
PLR*- increase by 50 bps	(7.54)	(5.16)

*Prime Lending Rate ('PLRs') set by individual Indian banks in respect of their loans.

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(All amounts in Indian Rupees million unless otherwise stated)

Credit risk

The Company is also exposed to credit risk from trade receivables, term deposits, liquid investments and other financial instruments.
(i) Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. All customers are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis. The Company is exposed to credit risk in the event of non-payment by customers. An impairment analysis is performed at each reporting date by grouping the receivables in homogeneous group. Trade receivables are non-interest bearing and are generally on original credit terms of 30 to 180 days depending upon category and nature of customers. Considering the request of certain distributors for becoming more competitive under the current market scenario and to enhance the overall market share, the management has decided to extend the credit terms on case-to-case basis to its distributors which shall be helpful to penetrate the potential opportunities of enhancing the overall market share. For this purpose, the management has done credit evaluation on the distributors based on their business relationships with the Company and the market credibility as well as established a mechanism of monitoring the availability and marketability of inventory levels lying with the retailer network.

Trade receivables (refer note 7(c)) include amounts (see below for aged analysis) of Rs. 7,102.42 million (31 March 2021 : Rs. 6,969.89) with the extended credit period at the reporting date. To ensure the recovery in such cases, the Company keeps monitoring the stocks levels lying with the distributors and in the market with the retail network through its field sales forces. The Company territory managers are ensuring that the stocks available in the retail market are in marketable position and are also monitoring the movement of products, which helps the Company to keep the overall control that the recoveries are certain and not dependent only upon the financial strength of any distributor. In the post COVID scenario, the Company expects to benefit from the Atmanirbhar Bharat (self-reliant India) initiatives of the government of India, the increased thrust on manufacturing in India resulting in enhanced competitiveness of its products which in turn shall be helpful to the Company's distributors to reduce the inventory levels and achieve higher sales. Considering the above, the Company is confident of the recoveries of its dues with extended credit period and the management is of the view that these amounts are completely recoverable within the extended credit period. Based on their credit evaluation, management considers these trade receivables as high quality and accordingly, no life time expected credit losses are recognized on such receivables. The Company considers that trade receivables were not credit impaired as these are receivable from credit worthy counterparties. However, to comply with the requirement of Ind AS 109 - Financial Instruments, the company has created ECL for the year ended Rs. 304.20 million, total ECL as on 31 March 2022 of Rs. 1,033.00 million (31 March 2021: Rs. 728.80 million). Further, during the financial year 2020-21, as it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 355.29 million (net of deferred tax asset of Rs 119.51 million), in compliance with the requirements of para 44 of IND AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, had been adjusted to the retained earnings.

(ii) The credit risk for cash and cash equivalents, other bank balances, term deposits, etc. is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Ageing based on original credit terms but not impaired receivables is as follows:

Particulars	**31 March 2022**	**31 March 2021**
0-180 days	2,515.92	1,196.00
180-365 days	324.09	1,261.74
1 year plus	6,778.33	5,708.15
Total	**9,618.34**	**8,165.89**

The Company has provisions of Rs. 42.50 million (31 March 2021 : Rs. 49.04 million) for doubtful debts. None of those trade debtors past due or impaired have had their terms renegotiated. The maximum exposure to credit risk at the reporting date is the fair value of each class of debtors presented in the financial statements.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

(All amounts in Indian Rupees million unless otherwise stated)

Liquidity risk

The Company monitor their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.

The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants. The maturity profile of the Company's financial liabilities based on contractual undiscounted payments is given in the table below:

	<1yr	1-5 yrs	>5 yrs	Total
As at 31 March 2022				
Borrowings (including interest accrued)	1,606.29	524.79	-	**2,131.08**
Lease liabilities	30.16	132.43	-	**162.59**
Trade payables	3,412.98	-	-	**3,412.98**
Derivative liability	-	-	-	**-**
Other financial liability	1,349.42	-	-	**1,349.42**
Total	**6,398.85**	**657.22**	**-**	**7,056.07**

	<1yr	1-5 yrs	>5 yrs	Total
As at 31 March 2021				
Borrowings (including interest accrued)	1,032.15	-	-	**1,032.15**
Lease liabilities	23.75	128.22	34.38	**186.34**
Trade payables	3,617.61	-	-	**3,617.61**
Derivative liability	5.15	-	-	**5.15**
Other financial liability	1,000.38	-	-	**1,000.38**
Total	**5,679.04**	**128.22**	**34.38**	**5,841.63**

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(All amounts in Indian Rupees million unless otherwise stated)

Foreign currency risk

The Company has significant purchases from outside India. The Company has transactional currency exposures arising from sales or purchases in currencies other than the functional currency. Accordingly, the Company's financial state of affairs can be affected significantly by movements in the US dollar exchange rates. The Company enters into derivative transactions, primarily in the nature of futures currency contracts/forward contracts on import payables. The purpose is to manage currency risks arising from the Company's operations.

The carrying amounts of the Company's financial assets and liabilities denominated in different currencies are as follows:

As at	31 March 2022		31 March 2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Amount in United States Dollar (USD)	40.17	23.70	32.07	23.34
Exchange Rate	75.90	75.90	73.24	73.24
Amount in Indian Rupees (INR)	3,048.87	1,799.00	2,348.71	1,709.69

The Company's exposure to foreign currency arises in part where a Company holds financial assets and liabilities denominated in a currency different from the functional currency of that entity with USD being the major non-functional currency of the Company's main operating subsidiaries. Set out below is the impact of a 10% movement in the US dollar on profit before tax arising as a result of the revaluation of the Company's foreign currency financial assets and unhedged liabilities :

As at	31 March 2022	31 March 2021
Effect of 10% strengthening of INR against USD on profit before tax:	(124.99)	(63.90)
Effect of 10% weakening of INR against USD on profit before tax:	124.99	63.90

The Company enters into forward/future contracts to mitigate the risk arising from fluctuations in foreign exchange rates to cover foreign currency payments. The Company has taken forwards/future contract of the following amount to hedge against currency risk against movement in INR/US dollar. The contract as on year end are as follows :

As at	31 March 2022	31 March 2021
Amount in INR	902.45	600.93

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(All amounts in Indian Rupees million unless otherwise stated)

28 Post-employment benefits plan

Defined Contribution Plan

The Company has recognised Rs. 50.96 millions (31 March 2021 : Rs. 48.54 millions) related to employer's contribution to provident fund and employees' state insurance fund as an expense in the statement of profit and loss.

Defined Benefit Plan

The Company has unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of 6 months.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss for gratuity plan and amounts recognized in the balance sheet in respect of same.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	31 March 2022	31 March 2021
Current service cost	12.35	11.52
Interest cost on benefit obligation	4.14	3.71
Re-measurement losses of defined benefit plan	-	-
Net benefit expense	**16.49**	**15.23**

Balance sheet

Benefit asset/liability

	31 March 2022	31 March 2021
Present value of defined benefit obligation	(75.95)	(66.07)
Net asset/(liability) recognised in balance sheet	**(75.95)**	**(66.07)**

Changes in the present value of the defined benefit obligation are as follows:

	31 March 2022	31 March 2021
Opening defined benefit obligation	**66.07**	**56.29**
Current service cost	12.35	11.52
Interest cost	4.14	3.71
Total amount recognised in profit & loss	**16.49**	**15.23**
Re-measurement (gains)/losses of defined benefit plan :		
- Due to changes in financial assumptions	(0.85)	1.10
- Due to experience adjustment	0.93	0.55
Total amount recognised in other comprehensive income	**0.07**	**1.65**
Benefits paid	(6.68)	(7.10)
Closing defined benefit obligation	**75.95**	**66.07**

The principal assumptions used in determining gratuity benefits are as below:

	31 March 2022	31 March 2021
Discount rate	5.9%	5.5%
Employee turnover*	30.0%	30.0%
Salary Escalation Rate	7.0%	7.0%
Mortality Rates	IAL2012-14Ult	IAL2012-14Ult

(All amounts in Indian Rupees million unless otherwise stated)

* In the retail executives category, the employee turnover ratio is above 100% based on which none of such category of employees will remain with the Company for 5 years from the date of joining. Hence, the average turnover ratio of other category of employees has been considered for the calculation of the gratuity liability for these category of employees.

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

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.24 years (31 March 2021: 4.76 years)

Amounts for the current and previous four years are as follows:

Particulars	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Gratuity					
Defined benefit obligation	75.95	66.07	56.29	54.45	103.98
Experience adjustments on liabilities gain / (loss)	(0.93)	(0.55)	1.38	18.66	4.43

Sensitivity Analysis:
A quantitative sensitivity analysis for significant assumption is as shown below:

	31 March 2022	31 March 2021
Projected benefit obligation on current assumptions	75.95	66.07
Delta effect of +1 % change in discount rate	(2.10)	(1.94)
Delta effect of -1 % change in discount rate	2.24	2.07
Delta effect of +1 % change in salary escalation rate	2.40	2.21
Delta effect of -1 % Change in salary escalation rate	(2.30)	(2.11)
Delta effect of +10 % change in rate of employee turnover	(1.08)	(1.31)
Delta effect of -10 % change in rate of employee turnover	1.18	1.44

29 Segment information

Ind AS 108 establishes standards for the way the companies report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations relate to sales of mobile handsets in India through the distributor and retailers network. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators pertaining to business as a single segment. Accordingly, for the purpose of entity wide disclosures, only geographical information has been presented. Business segment of the Company is primarily sale of mobile handsets.

Geographical information on revenues are collated based on individual customers invoiced or in relation to which revenue is otherwise recognized.

Geographical information:
The following tables present geographical information regarding the Company's revenue:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
India	17,060.87	15,093.29
Outside India	1,161.49	1,073.53
Total	**18,222.36**	**16,166.82**

No customer individually accounted for more than 10% of the revenue for the year ended 31st March, 2022 and 31st March 2021.

The Company does not have any non-current assets, as defined in Ind AS 108, which is located outside India.

(All amounts in Indian Rupees million unless otherwise stated)

30 Related party disclosures

In accordance with the requirements of Ind AS 24 on " Related Party Disclosures" the names of related parties whose control exist and/or with whom transactions have taken place during the year and description of the relationship, as identified and certified by the management are as below:

(i) List of parties where control exist :

Sr. No.	Related Party	Country of Incorporation	Nature of Relationship	
			31 March 2022	31 March 2021
1	LAVA International (H.K.) Limited	Hong Kong	Wholly owned subsidiary	Wholly owned subsidiary
2	Xolo International (H.K) Limited	Hong Kong	Wholly owned subsidiary	Wholly owned subsidiary
3	Lava Technologies L.L.C.	USA	Wholly owned subsidiary	Wholly owned subsidiary
4	Lava Technologies DMCC	UAE	Wholly owned subsidiary	Wholly owned subsidiary
5	China Bird Centroamerica S. A.*	Panamá	Wholly owned subsidiary	-
6	Lava Enterprises Limited	India	Subsidiary (Owned 99.05% shares)	Subsidiary (Owned 99.05% shares)
7	Sojo Distribution Private Limited	India	Subsidiary (Owned 90.00% shares)	Subsidiary (Owned 90.00% shares)
8	Sojo Manufacturing Services (A.P.) Private Limited	India	Subsidiary (Owned 99.97% shares)	Subsidiary (Owned 99.97% shares)
9	Sojo Manufacturing Services Private Limited	India	Subsidiary (Owned 99.95% shares)	Subsidiary (Owned 99.95% shares)
10	Pt. Lava Mobile Indonesia	Indonesia	Subsidiary (95% owned by LAVA International (H.K.) Limited)	Subsidiary (95% owned by LAVA International (H.K.) Limited)
11	Lava International DMCC, UAE	UAE	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)
12	Lava Mobility (Private) Limited, Sri Lanka	Sri Lanka	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)
13	Lava Mobile Mexico S.DER.L. DE C.V.	Mexico	Subsidiary (99.00% shares owned by LAVA International (H.K.) Limited)	Subsidiary (99.00% shares owned by LAVA International (H.K.) Limited)
14	Lava International (Myanmar) Co. Limited	Myanmar	Subsidiary (99.00% shares owned by LAVA International (H.K.) Limited)	Subsidiary (99.00% shares owned by LAVA International (H.K.) Limited)
15	Lava international (Nepal) Private Limited	Nepal	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)
16	Lava International (Bangladesh) Limited	Bangladesh	Subsidiary (99.99% shares owned by LAVA International (H.K.) Limited)	Subsidiary (99.99% shares owned by LAVA International (H.K.) Limited)
17	Mobile Consumer Products, S.A.**	Panamá	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	-

(All amounts in Indian Rupees million unless otherwise stated)

18	China Bird Hong Kong, Ltd**	Hong Kong	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	-
19	China Bird Guatemala, S.A.**	Guatemala	Subsidiary (99% owned by China Bird Centroamerica S.A.)	-
20	B Telecomunicatciones Mexico, S.A. DE C.V.**	México	Subsidiary (99% owned by China Bird Centroamerica S.A.)	-
21	Bmobile America**	Panamá	Subsidiary (wholly owned by Mobile Consumer Products S.A.)	-
22	Sms De Guatemala, S.A.**	Panamá	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	-
23	Momemtum HK, LTD.**	Hong Kong	Subsidiary (wholly owned by Mobile Consumer Products S.A.)	-
24	Bmobile Europa**	España	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	-
25	B Telecomunicaciones Colombia, S.A.C.**	Colombia	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	-
26	B Telecomunicaciones Lationoamerica, S.A.**	Ecuador	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	-
27	Poder Ecuatoriano De Manufactura Y Desarrollo Poecumade, S.A.**	Ecuador	Subsidiary (wholly owned by Mobile Consumer Products S.A.)	-
28	B Telecomunicaciones Peru, S.A.**	Perú	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	-
29	Azumi, S.A.**	Panamá	Subsidiary (wholly owned by Mobile Consumer Products S.A.)	-
30	Azumi, S.A. Agencia En Chile**	Chile	Subsidiary (wholly owned by Azumi S.A.)	-
31	Azumi Hong Kong Ltd.**	Hong Kong	Subsidiary (wholly owned by Azumi S.A.)	-
32	Azumi Mobile Africa**	South Africa	Subsidiary (wholly owned by Azumi Hong Kong Ltd.)	-
33	Azumi USA, Corp.**	USA	Subsidiary (wholly owned by Azumi S.A.)	-
34	Neocom, S.A.**	Chile	Subsidiary (wholly owned by Azumi S.A.)	-
35	Ncaz Mexico, S.A. DE C.V.**	México	Subsidiary (99% owned by Azumi S.A.)	-

(All amounts in Indian Rupees million unless otherwise stated)

36	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	Joint venture of Subsidiaries	Joint venture of Subsidiaries

* China Bird Centroamerica S.A. became subsidiary w.e.f. 16th September, 2021

** Subsidiary Companies of China Bird Centroamerica S.A. became subsidiary of Lava International Ltd w.e.f. 16th September, 2021

(ii) Others (with whom transactions have taken place during the year)

Sr. No.	Related Party	Country of Incorporation	Nature of Relationship	
			31 March 2022	31 March 2021
1	MagicTel Solutions Private Limited	India	Associate	Associate
2	Sojo Infotel Private Limited*	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
3	Ottomate International Private Limited	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
4	Am Express Worldwide Logistics (Partnership Firm)	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
5	Lava Employee Welfare Trust	India	Controlled trust	Controlled trust

* Sojo Infotel Limited ceased to be subsidiary w.e.f. 18th March, 2021.

(iii) Key Management Personnel :

Mr. Hari Om Rai - Chairman & Managing director
Mr. Shailendra Nath Rai - Whole time director
Mr. Vishal Sehgal - Non Executive director
Mr. Sunil Bhalla - Non Executive director
Mr. Vinod Rai - Independent director
Mrs. Chitra Gouri Lal - Independent director
Mr. Rahul Kansal - Independent director
Mr. Asitava Bose - Chief Financial Officer (upto 18th July 2022)
Mr. Vinod Sharma - Independent director (w.e.f 23rd August 2021)
Mr. Bharat Mishra - Company Secretary (upto 31st December 2021)
Mr. Naveen Kumar - Company Secretary (w.e.f 12th January 2022)
Mr. Sunil Raina - President & Business Head (w.e.f 18 May 2021)
Mr. Sanjeev Agarwal - Chief Manufacturing Officer (w.e.f 18 May 2021)
Mr. Mugdh Rajit - Senior Vice President-Head Marketing, (w.e.f 18 May 2021)
Mr. Sourabh Raghuvanshi -Vice President - Sales & Supply Chain (w.e.f 18 May 2021)
Mr. Nirav Girishbhai Raval - Chief Financial Officer (w.e.f. 18th July 2022)

(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Subsidiaries	
	31 March 2022	31 March 2021
A. Transactions during the year		
Investment made in related parties		
China Bird Centroamerica S. A.	3,716.14	-
Export Sales to related parties		
Lava Technologies DMCC	364.32	7.80
China Bird Centroamerica S.A.	18.40	-
Sale of Services to related parties		
Sojo Distribution Private Limited	0.14	0.14
Expenses incurred on behalf of related parties		
Sojo Manufacturing Services (AP) Private Ltd	0.07	0.19
Sojo Manufacturing Services Private Limited	0.02	0.01
Sojo Distribution Private Limited	0.23	0.02
Lava Enterprise Limited	0.02	-
Payment made to related parties		
XOLO International (Hk) Ltd.	96.39	
Advance given to related parties		
XOLO International (Hk) Ltd.	3.05	
Sojo Distribution Private Limited	3.98	15.31
Amount Received from related parties		
XOLO International (Hk) Ltd.	0.04	-
Lava Technologies DMCC	67.17	-
China Bird Centroamerica S.A.	12.86	-
B. Outstanding balances		
Other receivables		
Lava International (H.K.) Limited	93.05	94.36
Sojo Distribution Private Limited	0.04	15.52
Sojo Manufacturing Services (AP) Private Ltd	0.25	0.33
Sojo Manufacturing Services Private Ltd	10.38	10.38
Lava Technologies DMCC	28.51	26.60
Lava Enterprise Limited	-	0.04
Trade receivable		
Lava Technologies DMCC	317.55	7.68
XOLO International (Hk) Ltd.	441.50	425.96
China Bird Centroamerica S.A.	5.67	-
Sojo Distribution Private Limited	0.28	-
Advance to Vendor		
XOLO International (H.K.) Limited	8.58	101.92
Sojo Distribution Private Limited	19.54	-
Sojo Manufacturing Services (AP) Private Ltd	0.15	-
Sojo Manufacturing Services Private Ltd	0.02	-
Lava Enterprise Limited	0.06	-

(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Joint Venture	
	31 March 2022	31 March 2021
A. Transactions during the year		
Expenses incurred on behalf of related parties		
Yamuna Electronics Manufacturing Cluster Private Limited	0.07	-
B. Outstanding balances		
Advance to Vendor		
Yamuna Electronics Manufacturing Cluster Private Limited	0.11	0.04

Particulars	Associate	
	31 March 2022	31 March 2021
A. Transactions		
Sale of services		
MagicTel Solutions Private Limited	-	0.88

Particulars	Parties in which Key Management Personnel of the Company are interested	
	31 March 2022	31 March 2021
A. Transactions during the year		
Equity Shares issued to related parties		
Sojo Infotel Pvt Limited	1,020.00	-
Services taken		
Am Express Worldwide Logistics	0.07	0.44
Ottomate International Private Limited	-	0.60
Expenses incurred on behalf of related parties		
Sojo Infotel Pvt Limited	0.03	0.27
Advance Given to related parties		
Sojo Infotel Pvt Limited	95.51	4.82
Amount Received from related parties		
Sojo Infotel Pvt Limited	5.07	-
B. Outstanding balances		
Other receivables		
Sojo Infotel Pvt Limited	0.04	5.13
Advance to Vendor		
Sojo Infotel Pvt Limited	95.60	-
Trade Payable		
Am Express Worldwide Logistics	0.12	0.19
Ottomate International Private Limited	-	0.03

(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Controlled Trust	
	31 March 2022	31 March 2021
A. Transactions during the year		
Expenses incurred on behalf of related parties		
Lava Employee Welfare Trust	0.07	0.06
B. Outstanding balances		
Other receivables		
Lava Employee Welfare Trust	68.10	68.03

Particulars	Remuneration of Key Management Personnel	
	31 March 2022	31 March 2021
Short-term employee benefits	45.25	12.26
Post-employment benefits	4.47	0.51

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and their settlement occurs in cash. For the year ended 31 March 2022 and year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

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(All amounts in Indian Rupees million unless otherwise stated)

31 Commitments and contingencies

(A) Capital and other commitments

Particulars	31 March 2022	31 March 2021
Estimated amount of contracts to be executed on capital account [net of capital advances amounting to Rs. 15.15 million (31 March 2021: Rs. 1.50 million) and not provided for] (refer note 9(a))	84.22	5.15

(B) Contingent liabilities

Particulars	31 March 2022	31 March 2021
Bank guarantees	737.57	313.94
Sales tax demands [refer note (a)] (amount paid under protest Rs. 126.65 million) (31 March 2021: Rs. 126.44 million)	461.39	469.07
	1,198.96	**783.01**

(a) Sales tax demands

(i) The Hon'ble Supreme Court of India vide its order dated 17 December 2014 in the case of State of Punjab Vs. Nokia India Pvt. Limited, has held that the mobile charger contained in the mobile phone retail pack is an independent part and shall be separately charged to VAT at the rate as applicable to the chargers. The appellant has already approached the Hon'ble Supreme Court in a review petition challenging the judgment. In view of this judgment, the VAT Authorities of various states have raised demands along with interest and penalties aggregating to Rs. 115.46 million (31 March 2021: Rs. 126.11 million) The Company has filed appeal against these demands. Amount paid under protest against demands amounting to Rs. 46.50 million (31 March 2021: Rs. 46.50 million) have been disclosed under balance with statutory/government authorities in other assets. Out of which Rs. 5.71 million is pending for refund from VAT Authorities as the cases had been disposed off in favor of the company .

Based on the legal assessment, management believes that the possibility of materializing sales tax demands is low. Accordingly, no provision is made in the financial statements for such demands.

(ii) Sales tax demands received of Rs 28.82 million (31 March 2021 : Rs. 35.55 million) (amount paid under protest of Rs 7.66 million (31 March 2021 : Rs. 7.45 million)) (out of which Rs. 3.45 million is pending for refund from department as the cases had been disposed off in favor of the company) from various sales tax authorities for which the management believes that the possibility of materializing the demand is remote.

(iii) Sales tax demands received of Rs 283.70 million (31 March 2021 : Rs. 283.70 million) (amount paid under protest of Rs 70.93 million (31 March 2021: 70.93 million) classifying mobile phone under residuary entry under schedule- V, whereas as per lawyer's opinion product is well covered in specific entry 39 under schedule -IV for which management also believes that the possibility of materializing the sales tax demand is low. Accordingly, no provision is made in the financial statements for such demands.

(iv) Camera Module for mobile phone" is neither similar nor identical With Digital Still image video cameras" as claimed by company and thus the items " Camera Module for Mobile phone is totally different from " Digital still image video Cameras, hence availed exemption is not eligible to company. According to the Company, the company have rightly claimed exemption from the payment of SWS under SR No 30 of the notification No 11/2018 CT dated 02.02.2018 which exempts " Digital Still Image video Cameras falling under the Heading 8525 8020, considering camera module & digital still image video cameras serving the same purpose which is capturing the image and stored in data bank. Therefore, the Company have done no mistake by claiming exemption under above said notification. The period in which company had claimed this exemption is 2nd Feb, 2018 to 31st Jul 2019. Total amount involved is Rs. 23.71 million (31 March 2021 : 23.71 million). Against the order passed by Commissioner, the Company have filed an appeal before the CESTAT Delhi & deposited Rs. 1.56 million (31 March 2021 : 1.56 million) of above amount for filing the appeal as prescribed under law. As per the consultant, the Company have a good case to argue and justify the claim.

(v) GST Tax demands received of Rs 9.70 million (31 March 2021 : Nil) (amount paid under protest of Rs. Nil (31 March 2021: Nil) on account of less ITC Reversal u/s 42/43 of CGST Act, the company had replied against the notice. We have submitted letter on April 05, 2022 with GST dept., Noida for clearance of this matter and same has been settled in our favour.

(b) Others

(i) The Company has filed a civil suit against Telefonaktiebolaget LM Ericsson ('Ericsson') before the Hon'ble District Court, Gautam Budh Nagar in the month of January 2015 in relation to alleged standard essential Patents of Ericsson. M/s Telefonaktiebolaget LM Ericsson ('Ericsson') filed a counter suit alleging infringement of it's alleged patents against the Company in the month of March 2015. Since then, both the suits have been transferred/clubbed before the Hon'ble Delhi High Court and are pending final adjudication.

Hon'ble High Court, Delhi vide its order dated June 22, 2016 has passed an interim order wherein the Company was injuncted from manufacturing, importing, selling its devices, subject to the condition of deposit of Rs. 300 million (as modified in appeal) with the Registrar General of Delhi High Court. The Company has complied with the said order and deposited a sum of Rs. 300 million, as a result of which, the operation of Interim Order was stayed till the final disposal of the main suit. Presently the aforesaid suits are pending adjudication before the Delhi High Court. Based on legal advise and management's assessment thereof, the Company does not expect any financial exposure upon final settlement and accordingly no provision has been made in the financial statement of the Company.

(ii) On July 1, 2017, Research and Collaboration Agreement ('RCA') was executed between the Company, Mintellectuals LLP and Nokia Technologies as a confirming party. Under the RCA, the parties were to explore and work towards the possibility of technical and research collaborations between Mintellectuals/Nokia and the Company.

The Company made payments to Mintellectuals LLP under the RCA, with a view to receive the Research and Collaboration deliverables envisaged under the Agreement. The parties also agreed not to challenge/assert any legal rights in relation to Technically Necessary Patents, if any, used/practiced during the term of this agreement. The payments in question were being made by the Company in lieu of the executory consideration/promise/obligation of Mintellectuals/Nokia to enable and assist research and collaboration in terms of the RCA and no technically necessary patents were used/practiced.

Consequently, the Company declared the RCA to be frustrated as there was no consideration in its favour and consequently stopped making payments to Mintellectuals. As a result of this dispute, Mintellectuals initiated arbitration proceedings for recovery of amounts for the 4th and 5th quarter under the RCA, which was denied by the Company along with seeking refund of the amounts paid for the first three quarters under the RCA ("First Arbitration"). In relation to the First Arbitration, an award dated July 15, 2020 had been passed holding the Company liable to pay approximately Rs. 240 million. The Company has challenged the award of the First Arbitration before the Hon'ble High Court of Delhi, which is admitted and pending final adjudication. Without prejudice to it's challenge to the award, the Company has already paid Rs. 271.03 millions (including TDS net of GST) and submitted bank guarantee of Rs 119.50 millions with the Registrar General, Delhi High Court. Basis the Company's management assessment and supported by independent legal opinion from the legal counsel of the Company, subject to the pending challenge, the entire amount paid by the Company under this agreement to Mintellectuals is fully recoverable on legal grounds in favour of the Company.

Mintellectuals had initiated another arbitration proceeding to claim amount allegedly due to it for the 6th quarter onwards ("Second Arbitration"), which is pending at the arbitral tribunal and no amount have been adjudicated as yet on the claims raised by Mintellectuals. Without prejudice to the same, the company has deposited the post-dated cheques amounting to Rs. 226.22 millions as a security with the concerned arbitral tribunal. Management has taken legal opinion from the lawyers and as per management's assessment, company has strong case before arbitral tribunal on the ground presented by the company.

(iii) On November 29, 2017, Share Subscription & Shareholder Agreement ('SSSHA') was executed between the Company, Sponsors of the Company and UNIC Memory Technology (HK) Ltd. ('UNIC'). There were certain disagreements on timing of exit by UNIC, hence the parties were going through an arbitration procedure.

In relation to such ongoing arbitration, the Company, Sponsors of the Company and UNIC entered into an agreement dated August 7, 2021, and in this respect, a consent award dated September 9, 2021 ('the Settlement Agreement"), was passed by the arbitral tribunal. Also, in relation to the proceedings under section 9 of the Arbitration and Conciliation Act, 1996, UNIC had filed a withdrawal application in the Delhi High Court and the same has been withdrawn through an order dated September 16, 2021.

During the financial year 2021-22, as per the Settlement Areement, UNIC has converted some of its compulsary convertible preference shares of the Company into equity shares. Further, as per the Settlement Agreement, the Company was required to meet certain conditions for which the Company is in discussion with UNIC to extend the timelines. Accordingly in view of the ongoing communication with UNIC, the Company is not anticipating any liability towards UNIC.

(iv) During the review of transactions of certain third parties, the Directorate General of Goods and Service Tax, has identified certain sale and purchase transactions which was executed by the Company with those parties. Based on that, the Department has issued a show cause notice dated July 30, 2022 to the Company for the reversal of Input Tax Credit of Rs 920 million related to earlier years. Management has obtained a legal opinion from the lawyers and based on such assessment, the Company does not expect any financial exposure and believe that it has a strong case and accordingly, no such reversal of Input Tax Credit will be required. Accordingly, no penalty, if any, will also be leviable as per the assessment of the management.

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(All amounts in Indian Rupees million unless otherwise stated)

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

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, dues disclosed as per the Micro, Small and Medium Enterprise Development Act, 2006 at the year end are below:

S. No.	Particulars	31 March 2022	31 March 2021
1	The principal amount remaining unpaid to any supplier as at the end of each accounting year.	241.90	20.37
2	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	1.19	Nil
3	The amount of interest paid by the buyer in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
4	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 this Act.	Nil	Nil
5	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
6	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.	Nil	Nil

33 Details of Expenditure towards Corporate Social Responsibility as per section 135 of Companies Act, 2013 and rules thereon:-

S. No.	Particulars	31 March 2022	31 March 2021
1	Gross amount required to be spent by the Company during the year	8.05	11.93
2	Amount spent in cash during the year on:	8.10	35.65
a)	Construction/ acquisition of any asset	-	-
b)	Safeguarding environmental sustainability	8.10	-
c)	Promotion of education	-	27.78
d)	Upliftment of Rural Poor Youth	-	5.00
e)	Upliftment of Sports and Cultural Activities	-	2.87
3	Shortfall at the end of the year	-	-
4	Reason for Shortfall	NA	NA
5	Contribution to trust controlled by the company	Nil	Nil
6	Movement in Provision made	Nil	Nil

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(All amounts in Indian Rupees million unless otherwise stated)

34 Import of mobile phones only attracts Special Duty of Customs in lieu of Excise (CVD) which is equivalent to excise duty applicable on like goods as if manufactured or produced in India. Accordingly, mobile phones manufactured in India are subject to excise duty at the rate of 13.5% (including NCCD of 1%) if Cenvat Credit on inputs and capital goods is availed (rate of duty was 7.21% (including NCCD of 1%) till 28 February 2015) and 2% (including NCCD of 1%) if such Cenvat Credit on inputs and capital goods is not availed.

This has been further clarified by the Hon'ble Supreme Court of India in the similar cases by ruling that the benefit of exemption / concessional rate of excise duty, which is subject to a condition that no Cenvat credit on inputs or capital goods used in the manufacture of such goods shall be taken, is also available to the importers of like goods for payment of CVD under Customs.

During the financial years 2014 -2015 and 2015 - 2016, the Company was clearing the imported mobile phones by paying CVD of customs at higher rate of 7.21% before 1 March 2015 and 13.50% from 1 March 2015 instead of 2% during respective periods. The Company got re-assessed bills of entries amounting to Rs 638.47 million during the financial year 2017-18 Post clarification issued by the Hon'ble Supreme Court in M/s SRF case discussed above, and after re-assessment of bills of entries, the above said CVD amount became fully recoverable. Accordingly, the Company has claimed refund as per the Customs Act 1962.

As at 31st March 2022, total amount recoverable amounting to Rs. 315.37 million (31 March 2021: Rs. 391.64 million) (including recoverable charges for delayed payment amounting to Rs. 251.54 million (31 March 2021: Rs. 331.98 million)) was recorded, has been disclosed under "Balance with statutory/government authorities" based on legal opinion obtained.

35 **Research and development expenditure**

The Company has duly carried out its research and development activities during the year and the details of related expenditure are given below:

Particulars	31 March 2022	31 March 2021
Amount charged to Statement of Profit and Loss	128.92	66.49
Amount capitalised		
- Property, plant and equipment	10.36	2.94
	139.28	**69.43**

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(All amounts in Indian Rupees million unless otherwise stated)

36 Employee stock option plans:

The plans existing during the year are as follows :

Number of options approved	15% of Equity Paid up Share capital
Method of settlement (Cash / Equity)	Cash/Equity
Vesting conditions	The employee should be on roll of the Company or its subsidiary

The details of activity under ESOP Schemes have been summarized below*:

	31 March 2022		**31 March 2021**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at the beginning of year	48,701,702	8.27	20,147,360	10.69
Options granted during the year	459,852	17.03	28,554,342	6.56
Exercised / Settled during the year	-	-	-	-
Outstanding at the end of the year	49,161,554	8.35	48,701,702	8.27
Exercisable as at end of the year	42,619,502	7.17	20,147,360	10.69

The details of the ESOP outstanding are as follows*:

	Options Outstanding as at 31 March 2022			**Options Outstanding as at 31 March 2021**		
Range of exercise price per share	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price
Rs 1 - Rs 3.125	20,444,744	3.76	2.50	20,444,744	4.76	2.50
Rs. 6.250 - Rs. 9.375	1,639,200	4.18	7.72	1,639,200	5.18	7.72
Rs. 9.375 - Rs. 12.500	18,508,158	0.10	10.95	18,508,158	0.27	10.95
Rs. 15.625 - Rs. 18.750	8,569,449	3.73	16.81	8,109,598	4.76	16.81

*Number of ESOPs and its exercise price has been calculated taking into account the following events happened post 31 March, 2021:

a) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10 September 2021, the Company undertook a stock split of one existing equity share of Rs. 10 each into two fully paid up equity shares of Rs. 5 each.

b) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10 September 2021, the Company issued and allotted fully paid-up "bonus shares" at par in proportion of one new equity shares of Rs. 5 each for every one existing fully paid up equity share of Rs. 5 each held as on the record date of 08 September 2021.

The share based payment expense incurred during the year is shown in the following table:

	31 March 2022	**31 March 2021**
Expense arising from equity-settled share-based payment transactions	126.69	85.54
(Income) / Expense arising from settlement of options	-	-
	126.69	**85.54**

(All amounts in Indian Rupees million unless otherwise stated)

37 Leases

In the statement of profit and loss for the current year, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

Contractual maturities of lease liabilities:-

The details of contractual maturities of lease liabilities as at March 31, 2022 & March 31, 2021 on an undiscounted basis are as follows:-

Particulars	31 March 2022	31 March 2021
Payable not later than 1 year	30.16	23.75
Payable later than 1 year and not later than 5 year	132.43	128.22
Later than 5 year	-	34.38
	162.59	**186.34**

Lease liability

Particulars	Office building	Factory building	Warehouse Building	Total
As at 31 March 2020	**65.91**	**147.38**	**10.78**	**224.07**
Addition in lease liability	-	-	-	-
Deletion in lease liability	6.87	-	7.96	14.83
Interest expense on lease liability	7.35	16.43	1.20	24.98
Payment made during CY	15.39	30.68	1.81	47.89
As at 31 March 2021	**51.00**	**133.13**	**2.21**	**186.33**
Addition in lease liability	-	-	-	-
Deletion in lease liability	-	-	-	-
Interest expense on lease liability	5.68	14.85	0.25	20.78
Payment made during CY	13.28	30.68	0.57	44.53
As at 31 March 2022	**43.40**	**117.30**	**1.89**	**162.59**
Non Current portion	**34.45**	**96.47**	**1.51**	**132.43**
Current maturities of lease liability	**8.95**	**20.83**	**0.38**	**30.16**

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38 The Company has appointed independent consultants for conducting a transfer pricing study to determine whether the transactions with associated enterprises were undertaken at "arm's length price". The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms and is confident of there being no adjustments on completion of the study. Adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed.

39 There are certain receivables and payables where the Company intends to set off with each other. For the purpose of presentation in financial statements, such receivables and payables have been presented on net basis. The Company is in process of obtaining the requisite approvals from the appropriate authorities in this regard.

40 Previous year figures have been reclassed/regrouped, wherever considered necessary to make them comparable with those for the current year.

41 The Outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The manufacturing activities and the sales and distribution of the products of the Company were disrupted due to lockdowns and the general economic slowdown.
The Company believes the current disruptions in operations are temporary in nature and based on the business outlook and various initiatives announced by the respective Central and state governments, this may not result in any significant financial impact on the Company. The Management has considered internal and external sources of information up to the date of approval of these financial statements, in assessing the recoverability of investments and assets, trade receivables, liquidity, financial position and operations of the Company and based on the management's assessment, there is no material impact on the financial results of the Company.
Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these financial statements, and this will continue to be monitored in future periods.

42 There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

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

44 The company did not have any long-term contracts for which there were any material foreseeable losses.

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

46 The Company has not been declared willful defaulter as at the date of the balance sheet or on the date of approval of the financial statements.

47 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

48 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

49 The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

50 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

51 The Company has no transactions during the year with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

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

53 Business Combination

Pursuant to the Share Swap Agreement dated August 4, 2021 entered into amongst the Company, China Bird Centroamerica S.A., Clipper Global S.A., shareholders of Clipper Global S.A. and shareholders of the Company, the Company purchased 15,000 equity shares aggregating to 100% of the issued and paid-up share capital of China Bird Centroamerica S.A., on a fully diluted basis, from the Clipper Global S.A. for a consideration of USD 50.54 million.
On 16th September 2021, the Company had issued a total of 27,888,492 equity shares at a face value of Rs. 5 each (share premium of Rs. 128.25 each) to Clipper Global S.A., for acquisition of China Bird Centroamerica S.A. with 100% equity stake for a total purchase consideration of Rs. 3,716.14 millions. China Bird Centroamerica S.A. is engaged in the supply of mobile phones and telecommunication equipments.

54 The Code on Social Security, 2020 ('Code') relating to employee benefits, during employment and post-employment benefits, has received the Presidential assent in September 2020. This Code has been published in the Gazette of India. However, the effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. The Company will evaluate the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

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(All amounts in Indian Rupees million unless otherwise stated)

55 Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021: -

Particulars	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance
Current Ratio	Current assets	Current liabilities	2.38	2.39	-0.42%
Debt- Equity Ratio*	Total debt including lease liabilities	Shareholder's equity	0.14	0.12	25.48%
Debt Service Coverage Ratio*	Earnings available for debt service	Debt service including lease liabilities	1.38	1.90	-27.56%
Return on Equity	Net Profit after taxes	Avg. shareholder's equity	3.07%	4.04%	-24.12%
Inventory Turnover Ratio	Revenue	Avg. Inventory	4.78	6.30	-24.00%
Trade receivable Turnover Ratio	Revenue	Avg. Trade receivables	2.29	2.00	14.66%
Trade payable Turnover Ratio	Purchases	Avg. Trade payables	3.19	3.27	-2.55%
Net Capital Turnover ratio	Revenue	Avg. Working capital	1.91	1.73	10.06%
Net Profit Ratio	Net profit	Revenue	2.23%	2.56%	-13.19%
Return on Capital employed*	Earnings before interest and taxes	Capital employed	4.90%	6.96%	-29.61%
Return on Investment	Earnings before interest and taxes	Avg. Total assets	4.24%	4.61%	-8.10%

***Explanation where variance in ratios is more than 25%**

Debt Equity Ratio: Marginally increase in debt as compared to increase in equity.

Debt Service Coverage Ratio: Marginally increase in debt as compared to increase in equity.

Return on Capital Employed: Increase in debt and equity capital as compared to increase in earnings.

For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.:
009571N/N500006

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920

Sd/-
Prateet Mittal
Partner
Membership No. 402631

Sd/-
Hari Om Rai
Chairman & Managing Director
(DIN-01191443)

Sd/-
Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Sd/-
Nirav Girishbhai Raval
Chief Financial Officer

Sd/-
Naveen Kumar
Company Secretary
(M. No.- ACS 46279)

Place: Noida
Date: September 30, 2022

Place: Noida
Date: September 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Lava International Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Lava International Limited** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its trust, associate and a joint venture comprising of the consolidated balance sheet as at March 31, 2022, the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, trust, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner s required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, its consolidated profit including other comprehensive income, consolidated changes in equity, and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Directors' Report including Annexures to the Directors' report but does not include the consolidated financial statements and our report thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated change in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (India Accounting Standards) Rule 2015 amended. The respective Board of Directors of the companies included in the Group including its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group including its associate and joint venture 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group including its associate and joint venture are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group including its associate and joint venture are also responsible for overseeing the financial reporting process of the Group including its associate and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group, associate, and joint venture which the companies are incorporated in India has adequate internal financial controls with reference to consolidated 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 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

Other Matter

a) We did not audit the financial statements of 27 subsidiaries and 1 trust whose financial statements reflect total assets of Rs. 13,464.67 million and net assets of Rs 9,123.04 million as at March 31, 2022, total revenue of Rs. 40,835.14 million and net cash inflows amounting to Rs. 91.60 million for the year then ended on that date, as considered in the consolidated financial statements before giving effect of elimination of intra-group transactions. The consolidated financial statements also include the Group's share of loss (including other comprehensive loss) of Rs. 0.96 million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of an associate and joint venture, whose financial statements have not been audited by us.

   These financial statements have been audited by the other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, trust, associate and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, trust, associate and joint venture is based solely on the reports of the other auditors.

   Further, of these subsidiaries, twenty three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally acceptable in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

b) Also, we did not audit the financial statements and other financial information in respect of 8 subsidiary companies, whose financial statements reflect total assets of Rs. 83.38 million and net assets of Rs. 10.94 million as at March 31, 2022, total revenues of Rs. 101.68 million and net cash inflow amounting to Rs. 0.05 million for the year ended on that date, as considered in the consolidated financial statements before giving effect of elimination of intra-group transactions. These financial statements and other information are unaudited and has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in term of sub-section (3) of section 143 of the Act, in so far it related to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

   Our opinion above on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and these financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. According to the information and explanations given to us and copies of audited financial statements of the subsidiary companies, associate company and joint venture, incorporated in India, as noted in the 'Other Matter' paragraph and included in the consolidated financial statements as made available to us by the management and relied upon by us, there are no qualifications or adverse remarks made by the respective component auditors in their reports in the Companies (Auditor Report) Order, 2020 (CARO 2020).

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of the subsidiaries, trust, associate and joint venture as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

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

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

   (c) The consolidated balance sheet, the consolidated statement of profit and loss, (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its subsidiary companies, associate and joint venture which are the companies incorporated in India, none of the directors of the Group's companies, its associate and joint venture which are companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls of the Holding Company, its subsidiary companies, associate, and joint venture which are the companies incorporated in India, refer to our separate Report in "Annexure A", and

(g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company which are the companies incorporated in India to its directors during the current year is in accordance with the provisions of Section 197 of the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates, and joint ventures in its consolidated financial statements – Refer Note 30 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates, and joint ventures, incorporated in India during the year ended March 31, 2022;

iv. (a) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group, associates and joint ventures to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the Group, associates and joint ventures from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group, associates and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement;

v. The Holding Company has not declared and paid dividend during the year.

For ASA & Associates LLP
Chartered Accountants
Firm Registration No: 009571N/N500006

Sd/-
Prateet Mittal
Partner
Membership No. 402631

UDIN: 22402631BEVUQH5437

Place: Noida
Date: December 05, 2022

Annexure - A to the Independent Auditors' Report of **Even Date on the Consolidated Financial Statements of the Lava International Limited**

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

In conjunction with our audit of the consolidated financial statements of The Lava International Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate and joint venture which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Holding 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 (ICAI). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements 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") and the Standards on Auditing. issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Holding Company, its subsidiary companies, its joint ventures, and its associates which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to 4 subsidiaries, 1 associate and 1 joint venture which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006

Sd/-
Prateet Mittal
Partner
Membership No. 402631

UDIN: 22402631BEVUQH5437

Place: Noida
Date: December 05, 2022

Lava International Limited
Consolidated balance sheet as at 31 March 2022
(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	1,619.64	1,191.46
Capital work-in-progress	3	568.69	32.75
Intangible assets	4	2,220.05	29.60
Goodwill	4	426.90	-
Right of use asset	5	130.14	161.64
Investments accounted for using the equity method	35	61.09	62.06
Financial assets			
Investments	6 (a)	695.15	58.45
Other financial assets	6 (f)	1,073.36	51.14
Deferred tax assets (net)		315.49	229.11
Other non-current assets	8 (a)	117.37	51.15
		7,227.88	**1,867.36**
Current assets			
Inventories	7	6,828.77	4,438.63
Financial assets			
Investments	6 (b)	-	10.00
Trade receivables	6 (c)	12,921.16	11,624.18
Cash and cash equivalents	6 (d)	427.02	238.75
Other bank balances	6 (e)	601.92	1,612.66
Other financial assets	6 (g)	1,266.45	1,110.28
Other current assets	8 (b)	4,660.42	3,395.92
		26,705.74	**22,430.42**
TOTAL ASSETS		**33,933.62**	**24,297.78**
Equity and liabilities			
Equity			
Equity share capital	9	2,705.63	1,248.67
Instruments entirely equity in nature	9	33.42	51.00
Other equity			
Securities premium reserve		5,690.34	2,393.58
Treasury shares		(63.34)	(63.34)
Foreign currency translation reserve		693.71	432.20
Share based payment reserve		355.41	228.72
Retained earnings		13,474.16	11,630.02
Other reserve		17.31	(7.69)
Equity attributable to equity holders of the Holding Company		**22,906.64**	**15,913.16**
Non-controlling interest		(22.13)	(21.60)
Total equity		**22,884.51**	**15,891.56**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	10 (a)	524.79	-
Lease liabilities	10 (d)	132.44	162.60
Provisions	11 (a)	56.51	51.55
		713.74	**214.15**

Lava International Limited
Consolidated balance sheet as at 31 March 2022
(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
Current liabilities			
Financial liabilities			
Borrowings	10 (b)	2,699.37	1,031.20
Lease liabilities	10 (e)	30.16	23.75
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	10 (c), 32	241.90	20.37
- total outstanding dues of creditors other than micro enterprises and small enterprises	10 (c)	4,915.71	5,061.44
Other financial liabilities	10 (f)	1,392.80	1,014.02
Other current liabilities	12	642.71	433.75
Provisions	11 (b)	147.35	248.35
Current tax liabilities (net)	13	265.37	359.19
Total liabilities		**10,335.37**	**8,192.07**
TOTAL EQUITY AND LIABILITIES		**33,933.62**	**24,297.78**

Summary of significant accounting policies	2.1

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date as attached

For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.: 009571N/N500006

Sd/-
Prateet Mittal
Partner
Membership No. 402631

Place: Noida
Date: December 5, 2022

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920

Sd/-
Hari Om Rai
Chairman & Managing Director
(DIN-01191443)

Sd/-
Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Sd/-
Asitava Bose
Chief Financial Officer

Sd/-
Naveen Kumar
Company Secretary
(M.No.- ACS 46279)

Place: Noida
Date: December 5, 2022

Lava International Limited

Consolidated statement of profit and loss for the year ended 31 March 2022

(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	14	58,776.45	55,128.74
Other income	15	203.68	108.04
Total income (I)		**58,980.13**	**55,236.78**
Expenses			
Cost of raw material and components consumed	16	11,473.79	11,546.09
Purchase of traded goods		38,700.71	36,387.13
Changes in inventories of finished goods, spares and stock in trade	17	(1,037.89)	(1,273.30)
Employee benefit expenses	18	2,122.74	1,902.22
Other expenses	19	4,280.40	4,162.49
Total expense (II)		**55,539.75**	**52,724.63**
Earnings before share of loss of an associate & joint venture, interest, tax, depreciation and amortisation and tax (EBITDA) (I)-(II)		**3,440.38**	**2,512.15**
Depreciation and amortisation expense	20	967.14	390.37
Finance costs	21	441.17	285.76
Profit before share of loss of an associate & joint venture and tax		**2,032.07**	**1,836.02**
Share of loss of joint venture, associates (net of tax) (III)	35	0.96	1.73
Profit before tax		**2,031.11**	**1,834.29**
- Current tax		265.13	332.67
- Tax charge/(credit) relating to earlier years		(16.21)	(30.80)
- Deferred tax expense/(income)		(86.47)	(193.66)
Income tax expense	22	**162.45**	**108.21**
Profit for the year		**1,868.66**	**1,726.08**
Other comprehensive income			
Other comprehensive income not to be reclassified to Profit or loss			
- Re-measurement (gains)/losses of defined benefit plan	27	0.07	1.65
- Income tax relating to this item		(0.02)	(0.41)
Other comprehensive income that will be reclassified to profit or loss in subsequent periods :			
-Exchange difference on translation of foreign operations		(261.51)	164.63
Other comprehensive income/(loss) for the year (net of tax)		**(261.46)**	**165.87**
Total Comprehensive income for the year (net of tax)		**2,130.12**	**1,560.21**
Profit for the year is attributable to			
- Equity holders of Holding Company		1,869.19	1,725.75
- Non-controlling interest		(0.53)	0.33
Other comprehensive income of the year is attributable to			
- Equity holders of Holding Company		261.46	(165.87)
- Non-controlling interest		-	-
Total comprehensive income of the year is attributable to			
- Equity holders of Holding Company		2,130.65	1,559.88
- Non-controlling interest		(0.53)	0.33

Lava International Limited
Consolidated statement of profit and loss for the year ended 31 March 2022
(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Earnings per equity share (in rupees)	23		
Basic		**3.54**	**13.82**
Diluted		**3.25**	**12.60**
Adjusted Basic*		**NA**	**3.46**
Adjusted Diluted*		**NA**	**3.15**

*Earnings per shares for the previous financial year 2020-21 had been adjusted for stock split and bonus made during the current financial year 2021-22.

Summary of significant accounting policies 2.1

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date as attached
For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.: 009571N/N500006

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920

Sd/-
Prateet Mittal
Partner
Membership No. 402631

Sd/-
Hari Om Rai
Chairman & Managing Director
(DIN-01191443)

Sd/-
Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Sd/-
Asitava Bose
Chief Financial Officer

Sd/-
Naveen Kumar
Company Secretary
(M.No.- ACS 46279)

Place: Noida
Date: December 5, 2022

Place: Noida
Date: December 5, 2022

Lava International Limited
Consolidated Statement of changes in equity for the year ended 31 March 2022
(All amounts in Indian Rupees million, unless otherwise stated)

a. Equity share capital

Balance as at 01 April 2021	Changes in equity share capital due to prior period errors	Restated balance at 01 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
1248.67	Nil	1248.67	1456.96	2705.63

Balance as at 01 April 2020	Changes in equity share capital due to prior period errors	Restated balance at 01 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
1248.67	Nil	1248.67	Nil	1248.67

b. Instruments entirely equity in nature

Balance as at 01 April 2021	Changes in instruments entirely equity in nature due to prior period errors	Restated balance at 01 April 2021	Changes in instruments entirely equity in nature during the year	Balance as at 31 March 2022
51.00	Nil	51.00	(17.58)	33.42

Balance as at 01 April 2020	Changes in instruments entirely equity in nature due to prior period errors	Restated balance at 01 April 2020	Changes in instruments entirely equity in nature during the year*	Balance as at 31 March 2021
50.00	Nil	50.00	1.00	51.00

Lava International Limited
Consolidated Statement of changes in equity for the year ended 31 March 2022
(All amounts in Indian Rupees million, unless otherwise stated)

c. Other equity

Particulars	Attributable to the equity holders of Holding Company									
	Reserves and Surplus				Items of Other Comprehensive income					
	Securities premium reserve [refer note (i)]	Share based payment reserve [refer note (ii)]	Retained earnings	Debentures redemption reserve [refer note (iii)]	FVTOCI - equity investment reserve [refer note (iv)]	FCTR - reserve [refer note (v)]	Treasury shares [refer note(vi)]	Total	Non controlling interest	Total
As at 31 March 2020	**1,874.58**	**143.18**	**10,260.80**	**-**	**(7.69)**	**596.83**	**(63.34)**	**12,804.36**	**(21.93)**	**12,782.43**
Provision for expected credit loss (refer note 6 (c))	-	-	(355.29)	-	-	-	-	(355.29)	-	**(355.29)**
Total profit for the year	-	-	1,725.75	-	-	-	-	1,725.75	**0.33**	**1,726.08**
Other comprehensive income for the year	-	-	(1.24)	-	-	(164.63)	-	(165.87)	-	**(165.87)**
Total comprehensive income for the year	**-**	**-**	**1,369.22**	**-**	**-**	**(164.63)**	**-**	**1,204.59**	**0.33**	**1,204.92**
Share based payment expense	-	85.54	-	-	-	-	-	85.54	-	**85.54**
Security premium on CCPS*	519.00	-	-	-	-	-	-	519.00	-	**519.00**
As at 31 March 2021	**2,393.58**	**228.72**	**11,630.02**	**-**	**(7.69)**	**432.20**	**(63.34)**	**14,613.49**	**(21.60)**	**14,591.89**
Total profit for the year	-	-	1,869.19	-	-	-	-	1,869.19	**(0.53)**	**1,868.66**
Other comprehensive income for the year	-	-	(0.05)	-	-	261.51	-	261.46	-	**261.46**
Total comprehensive income for the year	**-**	**-**	**1,869.14**	**-**	**-**	**261.51**	**-**	**2,130.65**	**(0.53)**	**2,130.12**
Share based payment expense	-	126.69	-	-	-	-	-	126.69	-	**126.69**
Shares issued during the year (refer note 9)	3,578.99	-	-		-	-	-	3,578.99	-	**3,578.99**
Right shares issue	1,000.86	-	-	-	-	-	-	1,000.86	-	**1,000.86**
Bonus shares issue	(1,283.09)	-	-	-	-	-	-	(1,283.09)	-	**(1,283.09)**
Debentures redemption reserve	-	-	(25.00)	25.00	-	-	-	-	-	**-**
As at 31 March 2022	**5,690.34**	**355.41**	**13,474.16**	**25.00**	**(7.69)**	**693.71**	**(63.34)**	**20,167.59**	**(22.13)**	**20,145.46**

Lava International Limited
Consolidated Statement of changes in equity for the year ended 31 March 2022
(All amounts in Indian Rupees million, unless otherwise stated)

Note:-

(i) **Securities premium reserve :** Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) **Share based payment reserve :** The fair value of the options granted to employees under the Holding Company's employee stock option plan is recognised in the share options outstanding account during the vesting period of options.

(iii) **Debenture redemption reserve:** The Holding Company had created debenture redemption reserve out of the profits in compliance with the provisions of the Companies Act, 2013.

(iv) **FVTOCI equity investment reserve :** The Holding Company has elected to recognise changes in the fair value of investments in equity instruments of Abhriya Pte Ltd in other comprehensive income. The changes are accumulated within the FVTOCI equity investment reserve.

(v) **Foreign currency translation reserve :** Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity.

(vi) **Treasury shares :** The amount in treasury shares has been recorded against the shares of Holding Company purchased by Lava Employee welfare Trust from the employees of the Holding Company at the time of their exit from the Holding Company.

* During the financial year 2020-21, based on the terms of Investment agreement, and confirmation of the number of shares to be issued and price thereof, CCPS which was earlier classified under 'Borrowing (non-current)' met the criterion of Equity and accordingly the amount had been reclassified as ‘Instruments entirely equity in nature’ and 'Security premium'.

Summary of significant accounting policies (refer note 2.1)

The accompanying notes are an Integral part of the consolidated financial statements.

As per our report of even date as attached
For ASA & Associates LLP
Chartered Accountants
Firm’s Registration No.: 009571N/N500006

Sd/-
Prateet Mittal
Partner
Membership No. 402631

Place: Noida
Date: December 5, 2022

For and on behalf of the Board of Directors of
Lava International Limited
CIN - U32201DL2009PLC188920

Sd/-
Hari Om Rai
Chairman & Managing Director
(DIN-01191443)

Sd/-
Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Sd/-
Asitava Bose
Chief financial officer

Sd/-
Naveen Kumar
Company Secretary
(M.No.- ACS 46279)

Place: Noida
Date: December 5, 2022

Lava International Limited
Consolidated cash flow statement for the year ended 31 March 2022
(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit before tax	**2,031.11**	**1,834.29**
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization	967.14	390.37
(Profit)/ loss on sale of property, plant and equipment	0.08	(1.00)
Fair value (gain) /loss on Investment at fair value through profit or loss	-	(2.00)
Unrealized foreign exchange (gain)/ loss	(215.87)	30.00
Net gain on sale of mutual fund investments	(0.35)	(3.09)
Share of loss/(Profit) of associate/ joint venture	0.96	1.74
Fair value (gain)/loss on derivative financial instrument at FVTPL	(5.82)	10.93
Payment of principal portion of lease liabilities	(23.75)	(22.91)
Provision for Share based payment Expenses	126.69	85.54
Provision for Inventories obsolescence	5.28	(41.67)
Provision for trade receivables and advances	255.28	263.39
Unwinding of interest on borrowings	1.28	1.35
Interest expense	322.82	193.30
Interest income	(73.20)	(75.65)
Operating profit before working capital changes	**3,391.65**	**2,664.59**
Movements in working capital:		
Increase/ (Decrease) in trade payables and other liabilities	(423.65)	(248.86)
Increase/ (Decrease) in provisions	(14.70)	22.23
(Increase)/ Decrease in trade receivables	(919.54)	494.41
(Increase)/ Decrease in inventories	(738.42)	(2,046.77)
(Increase)/ Decrease in other assets	(351.42)	922.15
Cash generated from operations	943.92	1,807.75
Income taxes paid (net of refunds)	(390.69)	(289.95)
Net cash flow from / (used in) operating activities (A)	**553.23**	**1,517.80**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(1,910.38)	(684.45)
Proceeds from sale of property, plant and equipment (including intangibles)	0.17	4.31
Investment in equity shares of other companies	(244.10)	-
Purchase of mutual fund investments	(419.98)	(50.00)
Sale of mutual fund investments	430.37	63.91
Investment in bank deposits	(1,446.71)	(2,252.60)
Maturity of bank deposits	1,441.00	1,867.28
Interest received	39.73	100.04
Net cash flow from / (used in) investing activities (B)	**(2,109.90)**	**(951.50)**
Cash flow from financing activities		
Proceeds from issuance of equity share capital	1,020.00	-
Proceeds from issuance of NCD	250.00	
Proceeds from long-term borrowings	372.32	31.20
Payment of long-term borrowings	(70.65)	(119.62)
Movement in short-term borrowings	349.78	(129.10)
Interest paid on lease liability	(20.78)	(24.99)
Interest paid on borrowings	(257.62)	(248.44)
Net cash from / (used in) financing activities (C)	**1,643.05**	**(490.95)**

Lava International Limited

Consolidated cash flow statement for the year ended 31 March 2022

(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net increase in cash and cash equivalents (A + B +C)	**86.38**	**75.35**
Effect of exchange differences on cash & cash equivalents held in foreign currency	37.40	(22.97)
Cash and cash equivalents at the beginning of the year	238.75	186.38
Cash of China Bird as acquisition happened during the year	64.49	-
Cash and cash equivalents at the end of the year	**427.02**	**238.75**
Components of cash and cash equivalents		
Cash on hand	8.12	2.95
With banks on current account		
- on deposit account	75.14	77.27
- others balances	343.76	158.53
Total cash and cash equivalents [Refer note 6 (d)]	**427.02**	**238.75**

Summary of significant accounting policies (refer note 2.1)

The accompanying notes forms an integral part of these consolidated financial statements.

The schedules referred to above and notes on accounts form an Integral part of the consolidated cash flow statement.

The above Cash flow statement has been prepared under the Indirect method setout in Ind AS-7 'Statement of Cash Flow'.

Cash flow from operating activities include Rs. 8.10 millions (31st March 2021 : Rs. 35.65 millions) being expenses towards Corporate Social Responsibility.

As per our report of even date as attached

For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.: 009571N/N500006

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188920

Sd/-
Prateet Mittal
Partner
Membership No. 402631

Sd/-
Hari Om Rai
Chairman & Managing Director
(DIN-01191443)

Sd/-
Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Sd/-
Asitava Bose
Chief Financial Officer

Sd/-
Naveen Kumar
Company Secretary
(M.No.- ACS 46279)

Place: Noida
Date: December 5, 2022

Place : Noida
Date :

1. Corporate information

Lava International Limited ('Company' or 'Holding Company') is engaged in trading and manufacturing of mobile phones, storage devices and other wireless telecommunication devices. The Company is a public company domiciled in India and is incorporated under the provisions of Companies Act applicable in India. The registered office of the Company is located in Karampura, Delhi and the principal place of business is Noida, Uttar Pradesh. The Company has an in-house research and development center and manufacturing facilities in Noida.

The consolidated financial statements for the year ended 31st March, 2022 were approved and authorized for issue by the board of directors in their meeting held on 5th December, 2022.

2. Basis of preparation

a. Statement of compliance

The consolidated financial statements of the Company, the trust, its subsidiaries (collectively referred to as 'Group') and the Group's interest in joint ventures and associate have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These financial statements are presented in Indian rupees, and all amounts have been rounded-off to the nearest millions upto two places of decimal, unless otherwise indicated.

b. Basis of measurement

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Investments in equity instruments of other entities (at fair value through other comprehensive income)
- Investment in mutual funds (at fair value through profit or loss)
- Derivative financial instruments (at fair value through profit or loss)
- Plan assets under defined benefit plans (at fair value through profit or loss)
- Employee share based payments (at fair value through profit or loss)

c. Use of estimates and judgements

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates are recognized prospectively in current and future periods. Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets. Carrying amount of property, plant and equipment and intangible assets are disclosed in Note 3 and Note 4 respectively.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses. Carrying amount of defined benefit obligations are disclosed in Note 27.

Provisions for warranties – A provision is estimated for expected warranty in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. Carrying amount of provision is disclosed in Note 11.

Significant judgments

Contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(d) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Group and its interest in joint venture and associate as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The nature of the Group's information are set out in Note 37.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(e) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
The considerations made in determining whether significant influence or joint control are similar to those

necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

2.1 Summary of significant accounting policies

(a) Current Vs Non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is current when:

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

Current liabilities include current portion of non-current financial liabilities. The Group classifies all other liabilities as non-current.

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

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(b) Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All Financial information presented in INR has been rounded off to the nearest millions as per the requirements of Schedule III of "the Act", unless otherwise stated.

(c) Property, plant and equipment

i. **Recognition and measurement**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses if any. Cost directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

ii. **Subsequent expenditure**

Subsequent costs are capitalised on the carrying amount or recognized as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Group recognises such parts as separate component of assets. All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss on the date of disposal or retirement.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work in progress'.

iii. **Depreciation**

Depreciation on property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets as below:

Assets	Useful Lives	As per Schedule II
Office Equipment	3-5 Years	5 Years
Furniture and fixtures*	3-5 Years	10 Years
Demonstration Fixtures*	2 Years	2 Years
Vehicles*	5 Years	10 Years
Computer and Components*	3 Years	3 Years
Plant and Machinery*		
Jigs	1 Year	1 Year
Other Plant and Machinery	5-15 Years	15,25 Years
Electrical Installations	10 Years	10 Years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives for these assets are different from useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Leasehold Improvements are amortized over the lease term or 10 years whichever is less.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

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

(d) Intangible assets

i. **Recognition and initial measurement**

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

ii. **Subsequent expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. **Amortization**

The useful lives of intangible assets is assessed as finite as stated below and the assets are amortised over their useful lives and assessed for impairment whenever there is an indication that an intangible asset may be impaired. In respect of Customer relationships and brand names are recorded at cost less accumulated amortisation and are amortised on a straight line basis over their estimated useful lives as follows

Assets	Useful Lives
Computer software (over license period)	1-5 Years
Brand	20 years
Long term customer contact	20 years
Internally generated software	3- 5Years

Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the fair value of net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is tested for impairment annually and measured at cost less any accumulated impairment losses if any.

The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of one to ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(e) Leases

The Group adopted Ind AS 116 using the Modified retrospective method of adoption, with the date of initial application on 1 April 2019. The Group has recognized a lease liability on initial application (i.e. April 1, 2019) at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the date of initial application and right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease. Liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset (Refer note 36).

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

(f) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses, including impairment on inventories, are recognized in the consolidated statement of profit and loss.

(g) Financial instruments

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

Financial assets

Recognition and initial measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' 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 most applicable to the Group. 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 statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category is applicable to investments in mutual funds.

Debt instrument at FVTOCI

A 'debt instrument' 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. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss (P&L). Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group 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 statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value. All changes in fair value including dividend are recognized in the statement of profit and loss.

De-recognition

A financial asset is de-recognized only when

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Loan commitments which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. For the financial assets measured as at amortised cost, contractual revenue receivables, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortisation.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest

Offsetting financial instruments

Financial asset and financial 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 realise the asset and settle the liability simultaneously.

(h) Derivative financial instrument

The Group uses derivative financial instruments i.e., forward and futures currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss. The Group has not applied hedge accounting.

(i) Fair value Measurement

The Group measure its financial instruments such as derivative at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (Unadjusted) marked prices in the active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

(j) Inventories

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

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

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

(k) Revenue recognition

Ind AS 115 – "Revenue from Contracts with Customers" notified by MCA with effect from 1st April, 2018, vide its notification dated 28 March, 2018 which supersedes Ind AS 18 – "Revenue" and related Appendices.

Group account for revenue in accordance with Ind AS 115 "Revenue from Contracts with customers" using the modified retrospective method.

The Group has recognize revenue in accordance with Ind AS 115 by applying the following 5 steps:

i. Identify the contracts with the customers,
ii. Identify the separate performance obligations,
iii. Determine the transaction price of the contract,
iv. Allocate the transaction price to each of the separate performance obligations, and
v. Recognize the revenue as each performance obligation is satisfied.

Sale of Goods

Revenue from sale of goods is recognized when the significant risk and rewards of ownership of the goods have been passed to the buyer which generally coincides with delivery of goods, as per the contractual terms with customers. Revenue is measured at the fair value of the consideration received or receivable for the sale of goods in the ordinary course of Group's activities. Revenue is shown net of GST, returns, sales incentives and discounts.

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

The Group accounts for volume discount for pricing incentives to customers as a reduction of revenue based on estimate of applicable discount/incentives.

Sale of Services

Revenue from sales of services is from installation of third party mobile applications in the handset and is recognized by reference to the stage of completion, net of GST. Stage of completion is measured by reference to services performed to date as a percentage of total services to be performed.

Interest

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend Income
Dividend Income is recognized when the Group's right to receive the amount has been established.

Incentive Income
Group has recognized incentive income in form of, Merchant export incentive income (MEIS), Duty drawback income based on export made.

Disaggregation of Revenue
See Note 28 (Segment Reporting) to Consolidated Financial Statements for our disaggregated revenues.

Contract Balances:

Trade Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional.

Contract Assets

A contract asset is a right to consideration that is conditional upon factors other than the passage of time.

During financial year 2021-22, out of Rs. 10.04 million contract assets as on March 31, 2021, invoicing for 81.82% has been done and Rs.1.83 million is pending for invoicing.

Particulars	**As at March 31, 2022**	**As At March 31, 2021**
Balance as at beginning of the year	10.04 million	20.24 million
Deduction on account of reclassified to receivable	(98.41) million	(90.51) million
Recognized as revenue during the year	98.67 million	80.31 million
Balance as at end of the year	10.30 million	10.04 million

Contract Liabilities

A Contract liabilities is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Balance as at beginning of the year	347.06 million	589.80 million
Deduction on account of revenues recognized during the year	(206.98) million	(378.72) million
Addition on account of transaction	211.03 million	135.98 million
Balance as at end of the year	351.11 million	347.06 million

Changes in the contract asset and liability balances during current year, were a result of normal business activity and not materially impacted by any other factors.

(l) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the respective currency of the primary economic environment in which in which the entity in Group operates i.e. the "functional currency". These financial statements are presented in Indian rupees, which is also the functional currency of the parent Group. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognized initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at yearly average exchange rates. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

(m) Income taxes

Current income tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognized outside statement of profit and loss is recognized either in other comprehensive income or in equity. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Payments of tax as per Minimum Alternative Tax (MAT) is included as part of current tax in statement of profit and loss.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements as at reporting date. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside statement of profit and loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

MAT is applicable to the Group. Credit of MAT is recognized as deferred tax asset only when it is probable that taxable profit will be available against which the credit can be utilised. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss account. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is no longer probable that the Group will pay normal income tax during the specified period.

(n) Employee benefits

The Group’s employee benefits mainly include wages, salaries, bonuses, defined contribution plans, defined benefits plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognized in the year in which the associated services are rendered by the Group employees. Short-term employee benefits are recognized in Statement of Profit and Loss at undiscounted amounts during the period in which the related services are rendered.

Defined Contribution plans

The contributions to defined contribution plans are recognized in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

Defined benefits plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Group provides for the liability towards the said plans on the basis of actuarial valuation carried out as at the reporting date, by an independent qualified actuary using the projected unit credit method.

The obligation towards the said benefits is recognised in the consolidated financial statement, at the present value of the defined benefits obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest expenses are calculated by applying the above mentioned discount rate to defined benefits obligations. The interest expenses on the defined benefits obligations are recognized in the Statement of Profit and Loss. However, the related re-measurements of the defined benefits obligations are recognized directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions). Re-measurements are not re-classified to the Statement of Profit and Loss in any of the subsequent periods.

Other short-term employee benefits

The Group provides for the liability towards the compensated absences benefits on the basis of actuarial valuation carried out as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognized in the Statement of Profit and Loss in the period in which they arise.

Share based payments

Employees (including senior executives) of the Group may also receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes Option Pricing Model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(o) Provisions and Contingent Liabilities

Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Decommissioning liability

The Group records a provision for decommissioning costs of a leased facility. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

(p) Earnings per share

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

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders of the Holding Company (after adjusting the corresponding income/charge for dilutive potential equity shares) by the weighted average number of equity shares outstanding during the year, plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(q) Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

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

(r) Borrowing costs

Borrowing costs to the extent directly attributable to the acquisition/construction of assets that necessarily take substantial period of time to get ready for their intended use are capitalised along with the respective property, plant and equipment up to the date such asset is ready for use. Other borrowing costs are charged to the statement of profit and loss.

(s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet and for the purpose of statement of cash flows comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

(t) Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group’s financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

(u) Measurement of Earnings before Interest ,tax, depreciation and amortization (EBITDA)

Ind AS compliant Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Group’s financial position /performance.

Accordingly, the Group has elected to present earnings before net finance cost, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, interest income, finance costs, and tax expense.

(v) Business Combination

Business Combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities assumed at their acquisition date i.e. the date on which control is acquired. Contingent consideration to be transferred is recognized at fair value and included as part of cost of acquisition. Transaction related costs are expensed in the period in which the costs are incurred. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

(w) Treasury Shares

The group has created a Lava Welfare Trust ('the trust') for providing share-based payment to its employees. The group uses the trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The trust buys Company's shares from the employees of the Company as per the employee remuneration schemes. The group treats the trust as its extension and shares held by the trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from total equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in general reserve. Share options exercised during the reporting period are settled with treasury shares.

(x) Recent Accounting Prouncements

On 23rd March 2022, the Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standard) Rules, 2022 which will come into force from 1st April 2022. In the rules, MCA has notified new standards and amendments to the existing standards. The Company is evaluating and assessing the impact of the amended rules on the Financial Statements.

(All amounts in Indian Rupees million, unless otherwise stated)

3 Property, plant and equipment

Particulars	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Vehicles	Demonstration fixtures	Leasehold improvements	Land	Electrical installations	Total	Capital work-In-progress*
Gross Block											
At 31 March 2020	**609.46**	**41.55**	**94.01**	**157.55**	**13.50**	**745.85**	**392.35**	**30.04**	**0.79**	**2,085.10**	**20.69**
Additions	165.39	-	0.84	10.90	6.39	519.98	17.05	-	-	720.55	**32.57**
Disposals/ Capitalized	4.16	1.96	7.97	12.46	-	-	4.42	-	-	30.97	**20.51**
Exchange difference	0.27	(1.81)	(1.95)	5.72	(1.61)	(27.64)	(3.05)	-	0.01	(30.06)	-
At 31 March 2021	**770.96**	**37.78**	**84.93**	**161.71**	**18.28**	**1,238.19**	**401.93**	**30.04**	**0.80**	**2,744.62**	**32.75**
Additions/Adjustment**	140.30	14.08	14.52	34.30	-	1,104.42	16.14	-	-	1,323.76	**577.51**
Disposals/ Capitalized	-	-	0.33	10.28	-	-	0.02	-	-	10.63	**46.36**
Exchange difference	-	0.31	(3.82)	(2.71)	(0.83)	51.16	(5.01)	-	-	39.10	**4.79**
At 31 March 2022	**911.26**	**52.17**	**95.30**	**183.02**	**17.45**	**2,393.77**	**413.04**	**30.04**	**0.80**	**4,096.85**	**568.69**
Accumulated Depreciation											
At 31 March 2020	**234.55**	**35.08**	**80.77**	**147.85**	**11.97**	**509.46**	**270.39**	**-**	**0.13**	**1,290.20**	**-**
Charge for the year	87.40	3.40	9.36	9.77	0.25	162.22	29.06	-	0.08	301.54	-
Disposals/ Capitalized	0.97	1.89	8.68	13.90	0.74	-	4.42	-	-	30.60	-
Exchange difference	(0.45)	0.12	(5.20)	8.02	0.74	(14.76)	3.55	-	-	(7.98)	-
At 31 March 2021	**320.53**	**36.71**	**76.25**	**151.74**	**12.22**	**656.92**	**298.58**	**-**	**0.21**	**1,553.16**	**-**
Charge for the year/ adjustment ***	109.99	14.23	18.88	23.94	1.28	714.92	38.84	-	0.08	922.16	-
Disposals/ Capitalized	-	-	0.09	10.29	-	-	-	-	-	10.38	-
Exchange difference	-	(1.14)	(3.51)	(3.01)	(0.71)	26.29	(5.14)	-	(0.51)	12.27	-
At 31 March 2022	**430.52**	**49.80**	**91.53**	**162.38**	**12.79**	**1,398.13**	**332.28**	**-**	**(0.22)**	**2,477.21**	**-**
Net Block											
At 31 March 2022	**480.74**	**2.37**	**3.77**	**20.64**	**4.66**	**995.64**	**80.76**	**30.04**	**1.02**	**1,619.64**	**568.69**
At 31 March 2021	**450.43**	**1.07**	**8.68**	**9.97**	**6.06**	**581.27**	**103.35**	**30.04**	**0.59**	**1,191.46**	**32.75**

*Capital work-in-progress includes Plant and machinery, Office equipments and computers.

**Additions / Adjustments in gross block for the year include Rs. 63.58 million on account of entity acquired during the financial year 2021-22.

***Depreciation for the year include Rs. 52.86 million on account of entity acquired during the financial year 2021-22.

Note : Certain property, plant and equipment are hypothecated as collateral against borrowings, the details of which have been described in note 10.

(All amounts in Indian Rupees million, unless otherwise stated)

Ageing of Capital work-in-progress; -

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	568.69	-	-	-	568.69
Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	**568.69**	**-**	**-**	**-**	**568.69**

	Amount
Projects which have exceeded their original timeline	-
Projects which have exceeded their original budget	-

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 March 2021					
Projects in progress	32.75	-	-	-	32.75
Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	**32.75**	**-**	**-**	**-**	**32.75**

	Amount
Projects which have exceeded their original timeline	-
Projects which have exceeded their original budget	-

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(All amounts in Indian Rupees million, unless otherwise stated)

4 Intangible assets

Particulars	Computer Softwares and Licenses	Internally generated software	Long Term Customer Contracts	Brand	Licenses & patents	Total	Goodwill
Gross Block							
As at 31 March 2020	**445.23**	**115.21**	**-**	**-**	**-**	**560.44**	**-**
Additions	13.46	12.97	-	-	-	26.43	-
Deletion	-	-	-	-	-	-	-
Exchange difference	(24.93)	1.50	-	-	-	(23.43)	-
As at 31 March 2021	**433.76**	**129.68**	**-**	**-**	**-**	**563.44**	**-**
Additions/Adjustment*	20.63	-	64.08	2,102.63	37.05	2,224.39	462.15
Deletion	-	-	-	-	-	-	-
Exchange difference	20.68	0.14	1.21	39.55	0.70	62.28	(35.25)
As at 31 March 2022	**475.07**	**129.82**	**65.29**	**2,142.18**	**37.75**	**2,850.11**	**426.90**
Accumulated Amortisation							
As at 31 March 2020	**411.25**	**91.65**	**-**	**-**	**-**	**502.90**	
Charge for the year	32.17	21.69	-	-	-	53.86	
Disposal	-	-	-	-	-	-	
Exchange difference	(26.14)	3.22	-	-	-	(22.92)	
As at 31 March 2021	**417.28**	**116.56**	**-**	**-**	**-**	**533.84**	**-**
Charge for the year/adjustment **	15.77	4.72	1.60	52.57	-	74.66	
Disposal	-	-	-	-	-	-	
Exchange difference	20.53	0.01	0.03	0.99	-	21.56	
As at 31 March 2022	**453.58**	**121.29**	**1.63**	**53.56**	**-**	**630.06**	**-**
Net Block							
As at 31 March 2022	**21.49**	**8.53**	**63.66**	**2,088.62**	**37.75**	**2,220.05**	**426.90**
As at 31 March 2021	**16.48**	**13.12**	**-**	**-**	**-**	**29.60**	**-**

*Additions / Adjustments in gross block for the year include Rs. 13.46 Million on account of entity acquired during the financial year 2021-22.

**Amortisation for the year include Rs. 8.32 Million on account of entity acquired during the financial year 2021-22.

5 Right of use asset

Particulars	Office building	Factory building	Warehouse Building	Total
Gross Block				
As at 31 March 2020	**72.45**	**159.15**	**11.55**	**243.15**
Additions	-	-	-	-
Deletion	9.64	-	8.86	18.50
As at 31 March 2021	**62.81**	**159.15**	**2.69**	**224.65**
Additions	-	-	-	-
Deletion	-	-	-	-
As at 31 March 2022	**62.81**	**159.15**	**2.69**	**224.65**
Accumulated Depreciation				
As at 31 March 2020	**11.47**	**21.82**	**1.68**	**34.97**
Additions	11.47	21.82	1.68	34.97
Deletion	4.36	-	2.57	6.93
As at 31 March 2021	**18.58**	**43.64**	**0.79**	**63.01**
Additions	9.29	21.82	0.39	31.50
Deletion	-	-	-	
As at 31 March 2022	**27.87**	**65.46**	**1.18**	**94.51**
Net Block				
As at 31 March 2022	**34.94**	**93.69**	**1.51**	**130.14**
As at 31 March 2021	**44.23**	**115.51**	**1.90**	**161.64**

(All amounts in Indian Rupees million, unless otherwise stated)

6 Financial assets

6 (a) Investments (non-current) (Unquoted)

	As at 31 March 2022		As at 31 March 2021	
	No of Units	**Amount**	**No of Units**	**Amount**
Investments in equity instruments of other entities (at fair value through other comprehensive income)				
Equity Share of .001 SGD each fully paid up of Abhriya Pte. Ltd.*	63,830	-	63,830	-
500 (31 March 2021: 500)Equity Share of 10,000 CNY each fully paid up of Shenzen Inone Technology Co, Limited.(Formerly known as Xolo Technology (Shenzen) Limited).	500	59.95	500	58.25
5,656,608 (31 March 2021: Nil) Equity Share of $ 1 each fully paid up of Digital Reef Inc.	5,656,608	429.39	-	-
49% Ownership interest (31 March 2021: Nil) in CBCA LLC.		88.09	-	-
25,000 (31 March 2021: Nil) Equity Share of $ 30 each fully paid up of Diamond Foundry Inc..	25,000	62.86	-	-
7,200 (31 March 2021: Nil) Equity Share of $ 100 each fully paid up of Marbore enterprises S.A.	7,200	54.66	-	-
20,000 (31 March 2021: 20,000) Equity shares of Rs.10 each fully paid up of Sri Venketeswara Mobile & Electronics Manufacturing Hub Private Limited	20,000	0.20	20,000	0.20
		695.15		**58.45**
Aggregate amount of unquoted investment		695.15		58.45

*As at 31 March 2022, the Holding Company has fair valued the investment at Nil (31 March 2021 - Nil) amount as there is no future economic benefit expected from the investment.

6 (b) Investments (current)

	As at 31 March 2022		As at 31 March 2021	
	No of Units	**Amount**	**No of Units**	**Amount**
Investment in Mutual funds (Quoted)(at fair value through profit or loss)				
LIC MF - Ultra Short Term Funds - Regular Plan Growth	-	-	9,471	10.00
		-		10.00
Less: Aggregate provision for diminution in value of investment		-		-
		-		**10.00**
Aggregate amount of quoted investment		**-**		**10.00**
Market value of quoted investments		-		**10.00**

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(All amounts in Indian Rupees million, unless otherwise stated)

6 (c) Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured		
- Considered good	13,954.16	12,352.98
- Considered doubtful	42.50	49.04
	13,996.66	**12,402.02**
Less :		
- Provision for doubtful debts	(42.50)	(49.04)
- Allowance for credit loss (ECL)	(1,033.00)	(728.80)
	12,921.16	**11,624.18**

Ageing of trade receivables: -

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022							
Undisputed trade receivables- considered good	557.49	6,808.16	61.51	2,035.91	3,573.11	917.98	13,954.16
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	1.05	4.93	6.08	30.44	42.50
Total trade receivables	**557.49**	**6,808.16**	**62.56**	**2,040.84**	**3,579.19**	**948.42**	**13,996.66**
Less: Provision for doubtful debts							(42.50)
Less: Allowance for credit loss	-	-	-	-	-	-	(1,033.00)
Net trade receivables	**-**	**-**	**-**	**-**	**-**	**-**	**12,921.16**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2021							
Undisputed trade receivables- considered good	65.82	5,792.59	1,254.19	3,809.80	1,407.73	22.85	12,352.98
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	0.35	2.21	4.67	10.84	21.75	9.22	49.04
Total trade receivables	**66.17**	**5,794.80**	**1,258.86**	**3,820.64**	**1,429.48**	**32.07**	**12,402.02**
Less: Provision for doubtful debts							(49.04)
Less: Allowance for credit loss	-	-	-	-	-	-	(728.80)
Net trade receivables	**-**	**-**	**-**	**-**	**-**	**-**	**11,624.18**

For terms and conditions relating to trade receivables, refer note 26.

To comply with the requirement of Ind AS 109 - "Financial Instruments", the Holding Company has created ECL for the year Rs. 304.20 million, total ECL as on 31 March 2022 of Rs. 1,033.00 million (31 March 2021: Rs. 728.80 million).
During the financial year 2020-21, it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 355.29 million (net of deferred tax asset of Rs 119.51 million), in compliance with the requirements of para 44 of Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors", had been adjusted to the retained earnings.

(All amounts in Indian Rupees million, unless otherwise stated)

6 (d) Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Cash on hand	8.12	2.95
Balances with banks:		
On current accounts	343.76	158.53
Deposits with original maturity of less than three months # (Refer footnote to note 6(f))	75.14	77.27
	427.02	**238.75**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Holding Company, and earn interest at the respective short-term deposit rates.

6 (e) Other bank balances

	As at 31 March 2022	As at 31 March 2021
Deposits with remaining maturity for more than three months but less than twelve months. #(Refer footnote to note 6(f))	601.92	1,612.66
	601.92	**1,612.66**

6 (f) Other financial assets (non-Current)

	As at 31 March 2022	As at 31 March 2021
Security deposits		
- Considered good	35.80	30.32
- Considered doubtful	4.92	4.92
	40.72	**35.24**
Less: Provision for doubtful deposits	(4.92)	(4.92)
	35.80	**30.32**
Unsecured considered good unless otherwise stated		
Others receivables	19.33	19.33
Bank deposits with remaining maturity of more than twelve months #	1,017.51	1.06
Interest accrued on bank deposits	0.72	0.43
	1,073.36	**51.14**
# Includes margin money deposits under lien (refer note 6 (d) ,6 (e) and 6 (f)):-		
"- against letter of credit facility, bank guarantees and other margin	1,226.80	1,226.30
- against amount paid under protest (excluding interest accrued) (refer note 30 (B) (b)(i))	300.00	300.00

6 (g) Other financial assets (current)

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good unless otherwise stated		
Security deposits	10.86	9.59
Interest accrued on bank deposits	155.77	123.72
Derivative asset	0.67	-
Others receivables		
- Considered good	1,099.15	976.97
	1,266.45	**1,110.28**

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(All amounts in Indian Rupees million, unless otherwise stated)

7 Inventories
(Valued at lower of cost or net realisable value)

	As at 31 March 2022	As at 31 March 2021
Raw materials and components (refer note 1 & 2 below)	2,802.05	1,449.80
Finished goods (refer note 1 & 2 below)	1,067.39	922.46
Traded goods (refer note 2 below)	2,482.28	1,277.32
Spares (refer note 1 & 2 below)	477.05	789.05
	6,828.77	**4,438.63**
Note 1 including stock in transit		
- Raw materials and components	658.77	230.09
- Spares	-	162.94
Note 2 The above inventory is net of :-		
a) Write down of inventory from cost to net realisable value		
Finished goods	25.82	11.22
Traded goods	1.12	5.29
Spares	9.90	58.13
b) Write down of inventory for Obsolescence		
Finished goods	13.38	5.41
Traded goods	-	4.53
Spares	145.45	102.40
Raw materials, components and semi-finished goods	2.04	5.38

8 (a) Other non-current assets

Unsecured, considered good, unless otherwise stated	As at 31 March 2022	As at 31 March 2021
Capital advances	94.54	50.92
Prepaid expenses	22.83	0.23
	117.37	**51.15**

8 (b) Other current assets
Unsecured, considered good, unless otherwise stated

		As at 31 March 2022	As at 31 March 2021
Prepaid expenses	**(A)**	258.89	41.44
Balance with statutory/ government authorities (Refer note 30 (B) & 34)	**(B)**	936.85	723.77
Advances to vendors			
- Considered good		3,112.38	2,486.25
- Advances to related parties, considered good (refer note 29)		104.37	19.33
- Considered doubtful		14.89	56.18
		3,231.64	2,561.76
Less: Provision for doubtful advances		(14.89)	(56.18)
	(C)	**3,216.75**	**2,505.58**
Others	**(D)**	247.93	125.13
Total (A + B + C + D)		**4,660.42**	**3,395.92**

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(All amounts in Indian Rupees million, unless otherwise stated)

9 Equity Share capital and Instruments entirely equity in nature

	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
782,000,000 equity shares of Rs. 5 each (31 March 2021 : 147,900,000 equity shares of Rs. 10 each)	3,910.00	1,479.00
100,000 (31 March 2021 : 100,000) Compulsory Convertible Preference Shares (CCPS) of Rs 10 each	1.00	1.00
500,000 (31 March 2021: 500,000) Compulsory Convertible Preference Shares (CCPS) of Rs 100 each	50.00	50.00
	3,961.00	**1,530.00**
Issued, subscribed and fully paid-up share capital		
541,126,216 equity shares of Rs. 5 each (31 March 2021 : 124,866,902 equity shares of Rs. 10 each)	2,705.63	1,248.67
100,000 (31 March 2021 :100,000) Compulsory Convertible Preference Shares (CCPS) of Rs 10 each	1.00	1.00
324,172 (31 March 2021 : 500,000) Compulsory Convertible Preference Shares (CCPS) of Rs. 100 each	32.42	50.00
Total issued, subscribed and fully paid-up share capital	**2,739.05**	**1,299.67**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

(i) Equity shares

	Amount		No of Shares	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	1,248.67	1,248.67	124,866,902	124,866,902
Right Shares Issued during the year [refer below (a) and (b)]	19.14	-	1,913,695	-
CCPS Conversion [refer below (c)]	15.29	-	1,528,834	-
Shares Split (Rs.10 per share to 5 per share) [refer below (e)]	-	-	128,309,431	-
Bonus shares Issued during the year [refer below (f)]	1,283.09	-	256,618,862	-
Issued during the year [refer below (g)]	139.44	-	27,888,492	-
Outstanding at the end of the year	**2,705.63**	**1,248.67**	**541,126,216**	**124,866,902**

a) Pursuant to approval of board of directors of the Holding Company in the meeting held on 18th May, 2021, 1,350,844 equity shares of Rs. 10 each were allotted on right shares basis at a premium of Rs. 523 per share.

b) Pursuant to approval of board of directors of the Holding Company in the meeting held on 5th June, 2021, 562,851 equity shares of Rs. 10 each were allotted on right shares basis at a premium of Rs. 523 per share.

c) Pursuant to approval of board of directors of the Holding Company in the meeting held on 9th August, 2021, 175,828 CCPS were converted into 15,28,834 equity shares of Rs. 10 each at a premium of Rs. 1.5 per share.

d) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 28th June, 2021, the Holding Company increased the existing authorized share capital from Rs. 1,530,000,000 divided into (i) 147,900,000 equity shares of Rs. 10 each; (ii) 100,000 CCPS of Rs. 10 each; and (iii) 500,000 CCPS of Rs. 100 each to Rs. 3,961,000,000 divided into (i) 391,000,000 equity shares of Rs. 10 each; (ii) 100,000 CCPS of Rs. 10 each; and (iii) 500,000 CCPS of Rs. 100 each.

e) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September, 2021, the Holding Company undertook a stock split of one existing equity share of Rs. 10 each into two fully paid up equity shares of Rs. 5 each. As a result of the above transaction, the authorised number of equity shares have been increased to 782,000,000 equity shares of the Holding Company having a face value of Rs. 5 each from 391,000,000 equity shares of the Company having a face value of Rs. 10 each.

f) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September, 2021, the Holding Company issued and allotted fully paid-up "bonus shares" at par in proportion of one new equity shares of Rs. 5 each for every one existing fully paid up equity share of Rs. 5 each held to the shareholders as on the record date of 08th September, 2021.

(All amounts in Indian Rupees million, unless otherwise stated)

g) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September, 2021, a total of 27,888,492 equity shares were created, offered, issued and allotted at a face value of Rs. 5 each to Clipper Global S.A. for consideration other than cash on the preferential cum private placement basis.

(ii) Instruments entirely equity in nature -Compulsory Convertible Preference Shares (CCPS)

	Amount		No of Shares	
	As at 31 March 2022	**As at 31 March 2021**	**As at 31 March 2022**	**As at 31 March 2021**
At the beginning of the year	51.00	50.00	600,000	500,000
Converted to equity and other equity	(17.58)	-	(175,828)	-
Transfer during the year	-	1.00	-	100,000
Outstanding at the end of the year	**33.42**	**51.00**	**424,172**	**600,000**

(b) Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs. 5 per share (31 March 2021: Rs. 10 per share). Each holder of equity shares is entitled to one vote per share and dividends in proportion to their shareholding. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive residual assets of the Holding Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms/ rights attached to Compulsory Convertible Preference Shares (CCPS)

i. During financial year 2017-18, the Holding Company has issued 500,000 Compulsory Convertible Preference Shares (CCPS) of Rs.100 each. The preference shares shall collectively be entitled to dividend of 0.0001% of the aggregate face value of the preference shares. As per the terms of Subscription and Shareholders Agreement, the preference shares may be converted, at any time at the discretion of the CCPS holder, into fixed number of equity shares, further If any of the preference shares have not been converted into equity shares within 19 years and 11 months, remaining preference shares shall be automatically and compulsorily converted into equity shares upon the expiry of such period.

In the financial year 2021-22, Pursuant to approval of board of directors of the Holding Company in the meeting held on 9th Aug, 2021, 175,828 CCPS were converted into 1,528,834 Equity Shares of Rs. 10 each at the premium of Rs. 1.5 per Share.

ii. During financial year 2017-18, the Holding Company had issued 100,000 CCPS of Rs. 10 each for a consideration of Rs. 520.00 million. The CCPS shall carry a coupon of 0.0001% and shall be non-cumulative in nature, which is to be declared at the discretion of the shareholder of the Group. The preference shares may be converted into the equity shares at any time at the discretion of the CCPS holder, subject to the terms of the agreement. If, any of the preference shares have not been converted to equity shares within 10 years from the allotment date, then such remaining preference shares shall be compulsorily converted into equity shares upon the expiry of such period.

During the financial year 2020-21, based on the terms of Investment agreement, and confirmation of the number of shares to be issued, and price thereof, CCPS which were earlier classified under 'Borrowing (non-current)' met the criterion of Equity and accordingly the amount had been reclassified as ‘Instruments entirely equity in nature’ and 'Security premium'.

In response of the exercise the option available, the Holding Company has to issue 53,68,832 equity shares against 1,00,000 CCPS.

(c) Number of bonus shares issued during the period of five years immediately preceding the reporting date:

	No of Shares				
Particulars	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Equity shares allotted during the year as fully paid bonus shares	256,618,862	-	-	-	93,650,175

(All amounts in Indian Rupees million, unless otherwise stated)

(d) Details of shareholders holding more than 5% shares in the Holding Company:*

Equity Shares of Rs. 5 each fully paid ((31 March 2021 : Rs 10 each fully paid)

	No of Shares		Percentage shareholding	
	At 31 March 2022	At 31 March 2021	At 31 March 2022	At 31 March 2021
Hari Om Rai	180,335,560	45,083,890	33.33%	36.11%
Sunil Bhalla	113,561,488	28,390,372	20.99%	22.74%
Vishal Sehgal	88,417,408	22,104,352	16.34%	17.70%
Shailendra Nath Rai	46,984,112	11,746,028	8.68%	9.41%
Shibani Sehgal	29,042,880	7,260,720	5.37%	5.81%
Clipper Global S.A.	27,888,492	-	5.15%	0.00%

Instruments entirely equity in nature -Compulsory Convertible Preference Shares (CCPS)

	No of Shares		Percentage shareholding	
Name of Shareholders	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
UNIC Memory Technology (Hong Kong) Limited Compulsory Convertible Preference Shares (CCPS) of Rs. 100/- each	324,172	500,000	100%	100%
Bennett Coleman Company Limited Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each	100,000	100,000	100%	100%

(e) Shareholding of promoters

Equity Share held by promoters as of 31st March 2022

Promotors Name	No of Shares	% of total shares	% Change during the year
Hari Om Rai	180,335,560	33.33%	-2.78%
Sunil Bhalla	113,561,488	20.99%	-1.75%
Vishal Sehgal	88,417,408	16.34%	-1.36%
Shailendra Nath Rai	46,984,112	8.68%	-0.72%
Total	**429,298,568**	**79.33%**	

Equity Share held by promoters as of 31st March 2021

Promotors Name	No of Shares	% of total shares	% Change during the year
Hari Om Rai	45,083,890	36.11%	0.00%
Sunil Bhalla	28,390,372	22.74%	0.00%
Vishal Sehgal	22,104,352	17.70%	0.00%
Shailendra Nath Rai	11,746,028	9.41%	0.00%
Total	**107,324,642**	**85.95%**	

(f) Shares reserved for issue under options :

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 31.

(All amounts in Indian Rupees million, unless otherwise stated)

10 Financial liabilities

10 (a) Borrowings (non-current)

	As at 31 March 2022	As at 31 March 2021
Secured (refer note I)		
Non-Convertible Debentures	250.00	-
Term loan from banks	1.54	-
Term loan from other parties	273.25	-
	524.79	**-**
Current maturities of non-current borrowings [refer note 10(b)]	92.76	65.88

Note I Security disclosure for the outstanding current borrowings are as follows:

(i) Non-Convertible Debentures (NCDs) has been issued during the period amounting to Rs.250 million (31 March 2021: Nil). The amount outstanding against the said loan is Rs. 250.00 million (31 March 2021: Nil) which carries interest @ 12.41% p.a (31 March 2021: Nil) and is scheduled to be repaid on 25th March 2024. The loan is secured by first and exclusive charge by pledge of certain shares of the Holding Company held by the promoters. Further, the loan has been personally guaranteed by certain directors of the Holding Company.

(ii) Car loan has been obtained from HDFC bank amounting to Rs. 2.32 million (31 March 2021: Nil) and the amount outstanding against the said loan is Rs. 1.96 million (31 March 2021: Nil) which carries interest @ 7.50% p.a. and repayable in 60 equal monthly instalments starting from 07th May 2021. The loan is scheduled to be repaid by 07th April 2026. The loan is secured against the vehicle funded out of aforesaid loan.

(iii) Term loan from Bajaj Finance Ltd. has been obtained and amount outstanding is Rs. 350 million (31 March 2021: Nil) which carries interest @ 8.75% p.a. and repayable in 51 equal monthly instalments starting from 05th April 2022 to 05th June 2026. The loan is secured by exclusive charge over plant and machinery funded under the term loan with minimum Fixed Assets Coverage Ratio (FACR) of 1.33x and on second pari-passu charge on overall current assets (current and future) of the Group. Further, the loan has been personally guaranteed by certain directors of the Holding Company.

(iv) Term loan from Oxyzo Financial Services Private Ltd. has been obtained amounting of Rs. 20 million (31 March 2021: Nil) and the amount outstanding against the said loan is Rs. 15.59 million (31 March 2021: Nil) which carries interest @ 12.25% p.a. and repayable in 24 equal monthly instalments. The loan is scheduled to be repaid by 05 September 2023. The loan is secured by personal guaranteed by director of the Holding Company.

(v) Term loan from HDFC bank amounting to Nil (31 March 2021: Rs. 57.11 million) which carries interest Nil (31 March 2021: 8.80% - 10.60% p.a.) and repayable in equal monthly instalments starting after 6 months from month of first disbursement. The loan stands fully repaid by 06th November 2021. The loan was secured on first pari-passu charge basis by way of hypothecation of machinery and equipment purchased from the term loan and further secured on second pari-passu charge basis by way of hypothecation of overall current assets (current and future) of the Company. Further, the loan has been personally guaranteed by certain directors of the Holding Company.

(vi) Term loan from Punjab national bank (erstwhile United Bank Of India) amounting to Nil (31 March 2021: Rs. 11.20 million). The amount outstanding against the said loan is Nil (31 March 2021: Rs. 8.77 million) which carries interest @ 8.25% p.a and repayable in 18 equal monthly instalments after a moratorium period of 6 months from date of disbursement of loan. The loan fully repaid by 31 March 2022. The loan was secured on first pari-passu charge basis by way of hypothecation on overall current assets (current and future) of the Holding Company, first pari-passu charge on fixed assets of the Holding Company (except as funded by term loan lenders), second pari-passu charge on fixed assets of the Holding Company funded by term lenders and first pari-passu charge on collateral securities. Further, the loan has been personally guaranteed by certain directors of the Holding Company and their relatives.

Note II: Satisfaction of charges

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(All amounts in Indian Rupees million, unless otherwise stated)

10 (b) Borrowings (current)

	As at 31 March 2022	As at 31 March 2021
Secured		
Cash credit / overdraft facility from banks (repayable on demand)*	890.09	725.32
Buyer's credit*	248.48	-
Working capital demand loan**	370.00	240.00
Current maturities of non current borrowings [refer note 10(a)]	92.76	65.88
	1,601.33	**1,031.20**
Unsecured		
Short term loan	1,098.04	-
	2,699.37	**1,031.20**

*Secured by way of hypothecation on first pari- passu charge basis, on overall current assets of the Holding Company (current and future) and collateral securities/personal guarantees of promoter directors and relative of promoter directors. The said loan is further secured:

(1) by way of a first charge on pari-passu basis, of existing and future movable fixed assets of the Holding Company excluding software and machineries/ assets created by way of term loans from other banks and financial institutions.

(2) by way of a second charge on pari-passu basis, of such existing and future movable fixed assets of the borrower such machineries/ other assets which are created by way of term loans from other banks and financial institutions. The cash credit is repayable on demand and carries interest @ 10.55% p.a. to 12.10% p.a. Buyer's credit carries interest @ SOFR +0.50% p.a. to SOFR +1% p.a.

**Secured by way personal guarantees of promoter of the Holding company. This facility is repayable on demand and carries interest @7.50% p.a. (31st March 2021: 7.50% p.a.)

Note I: In respect of working capital loans, quarterly returns or statements of current assets filed by the Holding Company with banks are in agreement with the books of accounts

10 (c) Trade payables

	As at 31 March 2022	As at 31 March 2021
Micro and Small Enterprises (refer note 32)	241.90	20.37
Other than Micro and Small Enterprises	4,915.59	5,061.22
Payable to related parties (refer note 29)	0.12	0.22
	5,157.61	**5,081.81**

Ageing of trade payables : -

Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March 2022					
Outstanding dues to micro and small enterprises	241.49	0.41	-	-	**241.90**
Others	3,794.92	265.89	341.64	35.37	**4,437.82**
Disputed - dues to micro and small enterprises	7.63	-	2.11	0.04	**9.78**
Disputed - Others	-	-	-	-	-
Total trade payables	**4,044.04**	**266.30**	**343.75**	**35.41**	**4,689.50**
Provision for expenses					468.11
Net trade payables					**5,157.61**

(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2021					
Outstanding dues to micro and small enterprises	20.35	-	-	0.02	**20.37**
Others	4,605.37	14.58	55.30	78.21	**4,753.46**
Disputed - dues to micro and small enterprises	-	-	-	-	-
Disputed - Others	-	-	-	-	-
Total trade payables	**4,625.72**	**14.58**	**55.30**	**78.23**	**4,773.83**
Provision for expenses					307.98
Net trade payables					**5,081.81**

10 (d) Lease liabilities (non-current)

	As at 31 March 2022	As at 31 March 2021
Lease Liability (refer note 36)	132.44	162.60
	132.44	**162.60**

10 (e) Lease liabilities (current)

	As at 31 March 2022	As at 31 March 2021
Lease Liability (refer note 36)	30.16	23.75
	30.16	**23.75**

10 (f) Other financial liabilities (current)

	As at 31 March 2022	As at 31 March 2021
Payable for capital purchases	1.12	47.26
Security deposits	1,271.36	922.00
Inter company deposits	30.00	-
Interest accrued on borrowings	43.21	0.95
Employee payables	47.11	43.81
	1,392.80	**1,014.02**

11 (a) Provisions (non-current)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (refer note 27)	54.45	48.53
Other provisions		
Provision for decommissioning liabilities #	2.06	3.02
	56.51	**51.55**

Under few operating lease agreements entered by the Holding Company, it has to incur restoration cost for restoring lease premises to the original condition at the time of expiry of lease period. The timing of the outflows is expected to be in next 3 years. The impact of discounting is not considered being immaterial and hence ignored.

Provision for decommissioning liabilities	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	3.02	3.02
Less: reversed during the year	(0.96)	0.00
At the end of the year	**2.06**	**3.02**

(All amounts in Indian Rupees million, unless otherwise stated)

11 (b) Provisions (current)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (refer note 27)	21.49	17.52
Provision for compensated absences	24.30	27.53
	45.79	**45.05**
Other provisions		
Provision for warranties*	101.56	203.30
	101.56	**203.30**
	147.35	**248.35**

*The Holding Company provides warranty on it's products by giving an undertaking to repair/replace items to the customers, which fails to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligations of repair/replacement. The timing of the outflows is expected to be in next 12 months (31 March 2021 : 12 months).

Provision for warranties	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	203.30	186.12
Arising during the year	888.81	1,143.71
Less : Utilized/reversed during the year	(990.55)	(1,126.53)
At the end of the year	**101.56**	**203.30**

12 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advance from customers	541.28	386.20
Tax deductable at source	24.59	18.54
Other statutory liabilities	76.84	29.01
	642.71	**433.75**

13 Current Tax Liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Provision for income tax*	265.37	359.19
	265.37	**359.19**

*Net of advance tax and TDS receivable amounting to Rs. 3,461.38 million (31 March 2021: Rs. 3,076.36 million)

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(All amounts in Indian Rupees million, unless otherwise stated)

14 Revenue from operations

	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products	58,639.71	54,883.67
Sale of services	129.38	231.02
Other operating revenue		
- Scrap sale	2.81	4.78
- Export incentives	4.55	9.27
	58,776.45	**55,128.74**

15 Other income

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on financial asset at amortised cost	1.37	1.35
Interest income on fixed deposits with banks	70.05	74.15
Interest income on others	5.14	0.15
Net gain on sale of mutual fund investments	0.35	3.09
Fair value gain on derivative financial instruments at fair value through profit or loss	5.82	-
Profit on sale of property, plant and equipment	-	0.99
Gain on investment at fair value through profit or loss	-	2.00
Foreign exchange differences (net)	90.36	-
Miscellaneous income	30.59	26.31
	203.68	**108.04**

16 Cost of raw material and components consumed

	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory materials at the beginning of the year	1,449.80	649.23
Purchase during the year	12,826.04	12,346.66
Less: Inventory materials at the end of the year	(2,802.05)	(1,449.80)
	11,473.79	**11,546.09**

17 Changes in inventories of finished goods, spares and stock in trade

	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the end of the year		
Traded goods	2,482.28	1,277.32
Spares for handsets	477.05	789.05
Finished goods	1,067.39	922.46
	4,026.72	**2,988.83**
Inventories at the beginning of the year		
Traded goods	1,277.32	534.52
Spares for handsets	789.05	938.87
Finished goods	922.46	242.14
	2,988.83	**1,715.53**
	(1,037.89)	**(1,273.30)**

(All amounts in Indian Rupees million, unless otherwise stated)

18 Employee benefit expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salary, wages and bonus (refer note 29)	1,696.23	1,557.08
Contribution to provident and other fund (refer note 27)	50.96	48.80
Gratuity expense (refer note 27)	16.49	15.23
Share based payment expense (refer note 31)	126.69	85.54
Staff welfare, recruitment and training	232.37	195.57
	2,122.74	**1,902.22**

19 Other expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel	39.47	42.85
Rent	56.19	59.17
Rates and taxes	8.94	4.70
Insurance	14.40	11.31
Repair and maintenance - others	70.46	68.71
Advertisement and marketing expenses	1,783.75	1,675.10
Sales promotion, scheme expenses and expected credit Loss provision [refer note 6(c) for ECL]	711.37	496.09
Freight and cartage	406.32	281.66
Outsourced salary cost	22.08	39.22
Travelling and conveyance	68.98	34.32
Communication costs	7.94	7.62
Warranty expenses	888.81	1,143.71
Legal and professional fees	149.83	157.04
Payment to auditor (refer details below)*	7.26	3.95
Foreign exchange differences (net)	-	69.89
Donation	0.05	-
Corporate social responsibilty expense (refer note 33)	8.10	35.65
Advances written off	-	8.66
Loss on sale of property, plant and equipment	0.08	-
Fair value loss on derivative financial instrument at fair value through profit or loss	-	10.93
Loss on investment at fair value through profit or loss	0.01	-
Miscellaneous expenses	36.36	11.91
	4,280.40	**4,162.49**

Payment to auditor *

	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
Audit fee	3.60	3.60
Tax audit fee	0.35	0.35
Reimbursement of expenses	0.18	-
Other services	3.13	-
	7.26	**3.95**

(All amounts in Indian Rupees million, unless otherwise stated)

20 Depreciation and amortisation expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation expense		
- on Property, plant and equipment	869.30	301.54
- on ROU asset	31.50	34.97
Amortisation expense on intangible assets	66.34	53.86
	967.14	**390.37**

21 Finance costs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on		
-Term loan	75.28	14.04
-Cash credit	183.86	106.95
-Lease liability (refer note 36)	20.78	24.98
-Security deposits	4.33	7.36
-Income tax	42.91	47.10
Bank charges	114.01	85.33
	441.17	**285.76**

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(All amounts in Indian Rupees million, unless otherwise stated)

22 Income tax

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
Current income tax charge	265.13	332.67
Adjustments in respect of income tax of previous year	(16.21)	(30.80)
Deferred tax :		
Relating to origination and reversal of temporary differences	(86.47)	(193.66)
Total tax expense on profit of the year (a)	**162.45**	**108.21**
Other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during in the year:		
- Re-measurement losses of defined benefit plan	(0.02)	(0.41)
- Change in fair value of FVOCI equity instruments	-	-
Total tax expense on other comprehensive income of the year (b)	**(0.02)**	**(0.41)**
Total tax expense on total comprehensive income of the year (a) + (b)	**162.43**	**107.80**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	2,031.11	1,834.29
Applicable tax rate	25.17%	25.17%
Expected tax expense (A)	**511.23**	**461.69**
Tax adjustment:		
Expenses not considered in determining taxable profit	(2.99)	33.10
Income not considered in determining taxable profit	(16.21)	(3.93)
Income exempt from tax	(375.68)	(345.23)
Impact of change in tax rates	-	(0.08)
Tax pertaining to earlier years	10.41	(30.80)
Tax losses for which no deferred tax asset was recognized	(0.16)	8.75
Others	33.42	(15.29)
Total adjustments (B)	**(351.22)**	**(353.48)**
Actual tax expense { C= A+B}	160.01	108.21
Tax expense recognised in statement of profit and loss	**162.45**	**108.21**
Effective Tax Rate	**8.00%**	**5.90%**

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(All amounts in Indian Rupees million, unless otherwise stated)

(c) Deferred tax

Deferred tax relates to the following:	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Deferred tax assets on account of:		
Property, plant and equipment	(82.67)	(82.03)
Employee benefits and other payable	(25.23)	(23.56)
Allowance for credit loss (ECL) & provision for doubtful Advances (refer note 6(c))	(274.45)	(209.92)
Provision for obsolescence inventories	(14.00)	(14.00)
Others	-	-
Deferred tax related to other comprehensive income of the year:		
Re-measurement losses of defined benefit plan	3.79	3.77
Change in fair value of FVTOCI equity instruments	(2.31)	(2.31)
Deferred tax liability/ (asset) on account of:		
Tax on custom duty to be paid in future years (refer note 34)	79.38	98.58
Fair valuation of investment	-	0.36
Net deferred tax liability/ (asset) including other comprehensive income of the year	**(315.49)**	**(229.11)**

Movement in deferred tax for the year ended 31 March 2022

	As at 31 March 2021	**Recognised in other comprehensive income**	**Recognised in profit and loss**	**Recognised in Retained Earnings**	**As at 31 March 2022**
Deferred tax assets on account of:					
Property, plant and equipment	(82.03)	-	(0.64)	-	(82.67)
Employee benefits and other payable	(23.56)	-	(1.67)	-	(25.23)
Allowance for credit loss (ECL) & provision for doubtful Advances (refer note 6(c))	(209.92)	-	(64.53)	-	(274.45)
Provision for obsolescence inventories	(14.00)	-	0.00	-	(14.00)
Other	-	-	-	-	-
Deferred tax related to other comprehensive		-		-	
Re-measurement losses of defined benefit plan	3.77	0.02	-	-	3.79
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	-	(2.31)
Deferred tax liability on account of:					
Tax on custom duty to be paid in future years (refer note 34)	98.58	-	(19.20)	-	79.38
Fair valuation of investment	0.36	-	(0.36)	-	-
Total	**(229.11)**	**0.02**	**(86.40)**	**-**	**(315.49)**

(All amounts in Indian Rupees million, unless otherwise stated)

Movement in deferred tax for the year ended 31 March 2021

	As at 31 March 2020	Recognised in other comprehensive income	Recognised in profit and loss	Recognised in Retained Earnings	As at 31 March 2021
Deferred tax assets on account of:					
Property, plant and equipment	(98.70)	-	16.67	-	(82.03)
Employee benefits and other payable	(31.77)	-	8.22	-	(23.56)
Allowance for credit loss (ECL) & provision for doubtful Advances (refer note 6(c))	(41.77)	-	(48.64)	(119.51)	(209.92)
Provision for obsolescence inventories	-	-	(14.00)	-	(14.00)
Unrealised profit on unsold inventory	(3.80)	-	3.80	-	-
Others	(0.73)	-	0.73	-	-
De fer Deferred tax related to other comprehensive income of the year:					
Re-measurement losses of defined benefit plan	4.19	(0.42)	-	-	3.77
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	-	(2.31)
Deferred tax liability on account of:					
Tax on custom duty to be paid in future years (refer note 34)	259.70	-	(161.12)	-	98.58
Fair valuation of investment	(0.32)	-	0.68	-	0.36
Total	**84.49**	**(0.42)**	**(193.67)**	**(119.51)**	**(229.11)**

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(All amounts in Indian Rupees million, unless otherwise stated)

23 Earnings per share (EPS)

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
Nominal value of equity shares	5	10
Profit attributable to owners of Holding Company for computing basic and dilutive EPS (A)	1,869.19	1,725.75
Weighted average number of equity shares for calculating basic EPS		
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)*	527,934,041	124,866,902
Dilutive effect of share based payments on weighted average number of equity shares outstanding during the year	30,888,097	6,402,958
Dilutive effect of compulsory convertible preference shares on weighted average number of equity shares outstanding during the year	16,643,640	5,689,744
Weighted average number of equity shares outstanding during the year for computing Diluted EPS (C)*	575,465,778	136,959,604
Basic earning per share (A/B)	**3.54**	**13.82**
Diluted earning per share (A/C)	**3.25**	**12.60**
Adjusted Basic Earning per share*	**NA**	**3.46**
Adjusted Diluted Earning per share*	**NA**	**3.15**

*The Group has given the effect of stock split to the face value of equity shares from Rs. 10 each to Rs. 5 each and also issued bonus shares to the equity shareholder's in the ratio of 1:1. Accordingly, Basic and Diluted earning per share of previous financial year has been calculated as per the requirement of Para 64 of Ind AS 33 - Earnings Per Share.

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(All amounts in Indian Rupees million, unless otherwise stated)

24 Fair value measurement

a) The carrying value and fair value of financial instruments by categories are as under:

	Notes	31 March 2022			31 March 2021		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Assets							
Non-current assets							
Financial assets							
Investments	6 (a)	-	695.15	-	-	58.45	-
Others	6 (f)	-	-	1,073.36	-	-	51.14
		-	**695.15**	**1,073.36**	**-**	**58.45**	**51.14**
Current assets							
Financial assets							
Investments	6 (b)	-	-	-	10.00	-	-
Trade receivables	6 (c)	-	-	12,921.16	-	-	11,624.18
Cash and cash equivalents	6 (d)	-	-	427.02	-	-	238.75
Other bank balances	6 (e)	-	-	601.92	-	-	1,612.66
Derivative asset	6 (g)	0.67	-	-	-	-	-
Others financial assets	6 (g)	-	-	1,265.78	-	-	1,110.28
		0.67	**-**	**15,215.88**	**10.00**	**-**	**14,585.87**
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	10 (a)	-	-	524.79	-	-	-
Lease liabilities	10 (d)	-	-	132.44	-	-	162.60
		-	**-**	**657.23**	**-**	**-**	**162.60**
Current liabilities							
Financial liabilities							
Borrowings	10 (b)	-	-	2,699.37	-	-	1,031.20
Lease liabilities	10 (e)			30.16			23.75
Trade payables	10 (c), 32	-	-	5,157.61	-	-	5,081.81
Other financial liabilities	10 (f)	-	-	1,392.80	-	-	1,014.02
		-	**-**	**9,279.94**	**-**	**-**	**7,150.78**

The fair values of trade receivables, cash and cash equivalents, other current financial asset, trade payables and other current financial liabilities are considered to be same as their carrying values due to their short term nature.

The carrying amounts of other items carried at amortised cost are reasonable approximation of their fair values on respective reporting date.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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(All amounts in Indian Rupees million, unless otherwise stated)

24 (b) Fair value hierarchy and valuation techniques used to determine fair values:

To provide an indication about the reliability of inputs used in determining fair value, the Group has classified its financial instrument into three levels prescribed under the accounting standard. The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities are as follows :

	Fair value measurement using			
At 31 March 2022	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at FVTPL				
Investment in mutual funds	-	-	-	-
Assets measured at FVTPL				
Derivative asset	-	0.67	-	**0.67**
Assets measured at FVTOCI				
Investment in equity instruments	-	-	695.15	**695.15**

	Fair value measurement using			
At 31 March 2021	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets measured at FVTPL				
Investment in mutual funds	10.00	-	-	**10.00**
Assets measured at FVTPL				
Derivative asset	-	-	-	-
Assets measured at FVTOCI				
Investment in equity instruments*	-	-	58.45	**58.45**

* Investment in Abhriya Pte. Ltd. has been valued at zero value i.e. at fair value and it has been shown in other reserve amounting to Rs 7.69 million in Reserve and surplus.

- There were no transfers between the Level 1, Level 2 and Level 3 during the years presented.
- There is no change in the valuation technique during the period.

Valuation techniques used to derive Level 1 fair values

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Valuation techniques used to derive Level 2 fair values

Derivative asset/ liability representing forward foreign exchange contracts have been fair valued using dealer/counter party quotes at balance sheet date.

Valuation techniques used to derive Level 3 fair values

Inputs for the assets or liabilities that are not based on observable market data. A one percent change in the unobservable inputs used in fair valuation of Level 3 assets doesn't have a significant impact in its value.

(All amounts in Indian Rupees million, unless otherwise stated)

25 Capital management

The Group’s objectives while managing capital are to safeguard its ability to continue as a going concern and to provide adequate returns for its shareholders and benefits for other stakeholders. The Group's policy is generally to optimise borrowings at an operating Group level within an acceptable level of debt. The Group's policy is to borrow using a mixture of long-term and short-term debts together with cash generated to meet anticipated funding requirements.

The Group monitors capital using a gearing ratio, which is calculated as underlying net debt divided by total capital plus underlying net debt. The Group’s policy is to keep the gearing ratio below 40%. The Group measures its underlying net debt as total debt reduced by cash and cash equivalents. The Group monitors compliance with its debt covenants. The Group has complied with all debt covenants at all reporting dates.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021 .

Particulars	**31 March 2022**	**31 March 2021**
Borrowings	3,224.16	1,031.20
Less: Cash and cash equivalents	(427.02)	(238.75)
Net debt (a)	**2,797.14**	**792.45**
Equity	22,906.64	15,913.16
Total capital (b)	**22,906.64**	**15,913.16**
Capital and net debt (a) + (b) = (c)	**25,703.78**	**16,705.61**
Gearing ratio (%) (a) / (c)	10.88%	4.74%

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(All amounts in Indian Rupees million, unless otherwise stated)

26 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and overdrafts, and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash, and short-term deposits, which arise directly from its operations. The Group also holds mutual fund investments and enters into derivative transactions.

The main risks arising from the Group's financial instruments are price risk, interest rate risk, liquidity risk, foreign currency risk, and credit risk.

The Board of Directors review and agree policies for managing each of these risks which are summarised below:

Price risk

The Group is mainly exposed to the price risk due to its investment in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The Group does not have significant investment in equity instruments.

Set out below is the impact of a 1% movement in the NAV of mutual funds on the Group's profit before tax:

Particulars	31 March 2022	31 March 2021
Effect on profit before tax:		
NAV increase by 100 bps	-	0.10
NAV decrease by 100 bps	-	(0.10)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed, floating rate borrowings.
The following table provides a breakdown of the Group's fixed and floating rate borrowings:

Particulars	31 March 2022	31 March 2021
Fixed rate borrowings	971.67	-
Floating rate borrowings	2,252.49	1,031.20
Total	**3,224.16**	**1,031.20**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, being a 0.5% increase or decrease in interest rate, with all other variables held constant, of the Group's profit before tax due to the impact on floating rate borrowings.

Particulars	31 March 2022	31 March 2021
Effect on profit before tax:		
Interest rates- decrease by 50 bps	11.26	5.15
Interest rates- increase by 50 bps	(11.26)	(5.15)

Credit risk

The Group is also exposed to credit risk from trade receivables, term deposits, liquid investments and other financial instruments.
(i) Customer credit risk is managed by the Group established policy, procedures and control relating to customer credit risk management. All customers are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis. The Group is exposed to credit risk in the event of non-payment by customers. An impairment analysis is performed at each reporting date by grouping the receivables in homogeneous group. Trade receivables are non-interest bearing and are generally on original credit terms of 30 to 180 days depending upon category and nature of customers. Considering the request of certain distributors for becoming more competitive under the current market scenario and to enhance the overall market share, the management has decided to extend the credit terms on case-to-case basis to its distributors which shall be helpful to penetrate the potential opportunities of enhancing the overall market share. For this purpose, the management has done credit evaluation on the distributors based on their business relationships with the Group and the market credibility as well as established a mechanism of monitoring the availability and marketability of inventory levels lying with the retailer network.

(All amounts in Indian Rupees million, unless otherwise stated)

Trade receivables (refer note 6(c)) include amounts (see below for aged analysis) of Rs. 6631.01 million (31 March 2021 : Rs. 6,541.05) with the extended credit period at the reporting date. To ensure the recovery in such cases, the Group keeps monitoring the stocks levels lying with the distributors and in the market with the retail network through its field sales forces. The Group territory managers are ensuring that the stocks available in the retail market are in marketable position and are also monitoring the movement of products, which helps the Group to keep the overall control that the recoveries are certain and not dependent only upon the financial strength of any distributor. In the post COVID scenario, the Group expects to benefit from the Atmanirbhar Bharat (self-reliant India) initiatives of the government of India, the increased thrust on manufacturing in India resulting in enhanced competitiveness of its products which in turn shall be helpful to the Group's distributors to reduce the inventory levels and achieve higher sales. Considering the above, the Group is confident of the recoveries of its dues with extended credit period and the management is of the view that these amounts are completely recoverable within the extended credit period. Based on their credit evaluation, management considers these trade receivables as high quality and accordingly, no life time expected credit losses are recognized on such receivables. The Group considers that trade receivables were not credit impaired as these are receivable from credit worthy counterparties. However, to comply with the requirement of Ind AS 109 - "Financial Instruments", the Group has created ECL for the year ended Rs. 304.20 million, total ECL as on 31 March 2022 of Rs. 1,033.00 million (31 March 2021: Rs. 728.80 million). Further, during the financial year 2020-21, as it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 355.29 million (net of deferred tax asset of Rs 119.51 million), in compliance with the requirements of para 44 of IND AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors", had been adjusted to the retained earnings.

(ii) The credit risk for cash and cash equivalents, other bank balances, term deposits, etc. is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Ageing based on original credit terms but not impaired receivables is as follows:

Particulars	**31 March 2022**	**31 March 2021**
0-180 days	7,365.65	5,860.97
180-365 days	62.56	1,258.86
1 year plus	6,568.45	5,282.19
Total	**13,996.66**	**12,402.02**

The Group has provisions of Rs. 42.50 million (31 March 2021 : Rs. 49.04 million) for doubtful debts. None of those trade debtors past due or impaired have had their terms renegotiated. The maximum exposure to credit risk at the reporting date is the fair value of each class of debtors presented in the financial statements.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Liquidity risk

The Group monitor their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.
The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Group also monitors compliance with its debt covenants. The maturity profile of the Group's financial liabilities based on contractual undiscounted payments is given in the table below:

	<1yr	**1-5 yrs**	**>5 yrs**	**Total**
As at 31 March 2022				
Borrowings (including interest accrued)	2,742.58	524.79	-	3,267.37
Lease liabilities	30.16	132.43	-	162.59
Trade payables	5,157.61	-	-	5,157.61
Other financial liability	1,349.58	-	-	1,349.58
Total	**9,279.93**	**657.22**	**-**	**9,937.15**
As at 31 March 2021				
Borrowings (including interest accrued)	1,032.15	-	-	1,032.15
Lease liabilities	23.74	128.22	34.38	186.34
Trade payables	5,081.81	-	-	5,081.81
Other financial liability	1,013.07	-	-	1,013.07
Total	**7,150.77**	**128.22**	**34.38**	**7,313.37**

(All amounts in Indian Rupees million, unless otherwise stated)

Foreign currency risk

The Group is exposed to foreign currency in the normal course of business. The Group has transactional currency exposures arising from sales or purchases by an operating unit in currencies other than the unit's functional currency. Accordingly, the Group's financial state of affairs can be affected significantly by movements in the US dollar & other currencies exchange rates.The Group enters into derivative transactions, primarily in the nature of forward foreign exchange contracts on import payables. The purpose is to manage currency risks arising from the Group's operations.

The carrying amounts of the Group's financial assets and liabilities denominated in different currencies are as follows:

Particulars	**31 March 2022**		**31 March 2021**	
	Financial assets	**Financial liabilities**	**Financial assets**	**Financial liabilities**
United States Dollar (USD)	99.81	69.78	85.82	53.30
Hong Kong dollar (HKD)	34.14	1.13	35.46	1.22
AED	85.13	17.46	57.28	2.63
Others	0.37	0.05	0.84	0.09

The Group's exposure to foreign currency arises in part where a Group holds financial assets and liabilities denominated in a currency different from the functional currency of that entity with USD being the major non-functional currency of the Group's main operating subsidiaries. Set out below is the impact of a 10% movement in the foreign currency on profit before tax arising as a result of the revaluation of the Group's foreign currency financial assets and unhedged liabilities :

Particulars	**31 March 2022**	**31 March 2021**
Effect of 10% strengthening of INR against following on profit before tax:		
USD	(3.00)	(3.25)
HKD	(3.30)	(3.42)
AED	(6.77)	(5.46)
Others	(0.03)	(0.08)
Effect of 10% weakening of INR against following on profit before tax:		
USD	3.00	3.25
HKD	3.30	3.42
AED	6.77	5.46
Others	0.03	0.08

The Group enters into forward/future contracts to mitigate the risk arising from fluctuations in foreign exchange rates to cover foreign currency payments. The Group has taken forwards/future contract of the following amount to hedge against currency risk against movement in INR/US dollar. The contract as on year end are as follows :

Particulars	**31 March 2022**	**31 March 2021**
Amount in INR	902.45	600.93

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(All amounts in Indian Rupees million, unless otherwise stated)

27 Post-employment benefits plan

Defined Contribution Plan

The Holding Company has recognised Rs. 50.96 millions (31 March 2021 : Rs. 48.80 millions) related to employer's contribution to provident fund and employees' state insurance fund as an expense in the statement of profit and loss.

Defined Benefit Plan

The Holding Company has unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss for gratuity plan and amounts recognized in the balance sheet in respect of same.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	31 March 2022	31 March 2021
Current service cost	12.35	11.52
Interest cost on benefit obligation	4.14	3.71
Re-measurement losses of defined benefit plan	-	-
Net benefit expense	**16.49**	**15.23**

Balance sheet

Benefit asset/liability

	31 March 2022	31 March 2021
Present value of defined benefit obligation	(75.95)	(66.07)
Net asset/(liability) recognised in balance sheet	**(75.95)**	**(66.07)**

Changes in the present value of the defined benefit obligation are as follows:

	31 March 2022	31 March 2021
Opening defined benefit obligation	**66.07**	**56.29**
Current service cost	12.35	11.52
Interest cost	4.14	3.71
Total amount recognised in profit & loss	**16.49**	**15.23**
Re-measurement (gains)/losses of defined benefit plan :		
- Due to changes in financial assumptions	(0.85)	1.10
- Due to experience adjustment	0.93	0.55
Total amount recognised in other comprehensive income	**0.07**	**1.65**
Benefits paid	(6.68)	(7.10)
Closing defined benefit obligation	**75.95**	**66.07**

The principal assumptions used in determining gratuity benefits are as below:

	31 March 2022	31 March 2021
Discount rate	5.90%	5.50%
Employee turnover*	30.00%	30.00%
Salary Escalation Rate	7.00%	7.00%
Mortality Rates	IAL2012-14Ult	IAL2012-14Ult

(All amounts in Indian Rupees million, unless otherwise stated)

*In the retail executives category, the employee turnover ratio is above 100% based on which none of such category of employees will remain with the Company for 5 years from the date of joining. Hence, the average turnover ratio of other category of employees has been considered for the calculation of the gratuity liability for these category of employees.

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

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.24 years (31 March 2021: 4.76 years)

Amounts for the current and previous four periods are as follows:

Particulars	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Gratuity					
Defined benefit obligation	75.95	66.07	56.29	54.45	103.98
Experience adjustments on liabilities gain / (loss)	(0.93)	(0.55)	1.38	18.66	4.43

Sensitivity Analysis:
A quantitative sensitivity analysis for significant assumption is as shown below:

	31 March 2022	31 March 2021
Projected benefit obligation on current assumptions	75.95	66.07
Delta effect of +1 % change in discount rate	(2.10)	(1.94)
Delta effect of -1 % change in discount rate	2.24	2.07
Delta effect of +1 % change in salary escalation rate	2.40	2.21
Delta effect of -1 % Change in salary escalation rate	(2.30)	(2.11)
Delta effect of +10 % change in rate of employee turnover	(1.08)	(1.31)
Delta effect of -10 % change in rate of employee turnover	1.18	1.44

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(All amounts in Indian Rupees million, unless otherwise stated)

28 Segment information

Ind AS 108 "Operating Segments" establishes standards for the way the companies report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations relate to sales of mobile handsets & accessories through the distributors and retailers network. The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocate resources based on analysis of various performance indicators pertaining to business as a single segment. Accordingly, for the purpose of entity wide disclosures, only geographical information has been presented. Business segment of the Group is primarily sale of mobile handsets.

Geographical information on revenues are collated based on individual customers invoiced or in relation to which revenue is otherwise recognized.

Geographical information:
The following table presents geographical information regarding the Group's revenue as defined in Ind AS 108 :

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
India	17,060.87	15,093.29
UAE	28,821.76	30,102.13
Hong Kong	9,476.86	9,512.53
Others	3,416.96	420.79
Total	**58,776.45**	**55,128.74**

The following table presents geographical information regarding the Group's non current assets as defined in Ind AS 108 :

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
India	1,063.29	942.52
Hong Kong	346.28	211.83
Others	3,734.31	374.31
Total	**5,143.88**	**1,528.66**

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(All amounts in Indian Rupees million, unless otherwise stated)

29 Related parties disclosures

In accordance with the requirements of Ind AS 24 on " Related party disclosures" the names of related party on which control exist and/or with whom transactions have taken place during the year and description of the relationship, as identified and certified by the management are as below:

Names of related parties and related party relationship #

Sr.No.	Related Party	Country of Incorporation	Nature of Relationship	
			For the year ended 31 March 2022	For the year ended 31 March 2021
1	MagicTel Solutions Private Limited	India	Associate	Associate
2	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	Joint venture	Joint venture
3	Am express worldwide Logistics (Partnership Firm)	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
4	Ottomate International Private Limited	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
5	Sojo Infotel Private Limited*	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives

* Sojo Infotel Limited cease to exist as subsidiary w.e.f. 18th March, 2021.
# With whom transactions have taken place during the current or previous year.

Key Management Personnel :

Mr. Hari Om Rai - Chairman & Managing director
Mr. Shailendra Nath Rai - Whole time director
Mr. Vishal Sehgal - Non Executive director
Mr. Sunil Bhalla - Non Executive director
Mr. Vinod Rai - Independent director
Mrs. Chitra Gouri Lal - Independent director
Mr. Rahul Kansal - Independent director
Mr. Asitava Bose - Chief Financial Officer (upto 18th July 2022)
Mr. Vinod Sharma - Independent director (w.e.f 23rd August 2021)
Mr. Bharat Mishra - Company Secretary (upto 31st December 2021)
Mr. Naveen Kumar - Company Secretary (w.e.f 12th January 2022)
Mr. Sunil Raina - President & Business Head (w.e.f 18th May 2021)
Mr. Sanjeev Agarwal - Chief Manufacturing Officer (w.e.f 18th May 2021)
Mr. Mugdh Rajit - Senior Vice President-Head Marketing, (w.e.f 18th May 2021)
Mr. Sourabh Raghuvanshi -Vice President - Sales & Supply Chain (w.e.f 18th May 2021)
Mr. Nirav Girishbhai Raval - Chief Financial Officer (w.e.f. 18th July 2022 to 3rd December 2022)
Mr. Asitava Bose - Chief Financial Officer (w.e.f. 3rd December 2022)

(All amounts in Indian Rupees million, unless otherwise stated)

a) Transaction with related parties

Nature of transaction	Joint Venture	
	2021-22	**2020-21**
A. Transactions during the year		
Expenses incurred on behalf of related		
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	0.07	-
B. Amount due to / from related parties		
Advance to vendor		
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	0.11	0.04
Other Payable		
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	0.53	0.53
Other Receivables		
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	19.33	19.33

Nature of transaction	Associate	
	2021-22	**2020-21**
A. Transactions during the year		
Sale of services		
MagicTel Solutions Private Limited	-	0.88

Nature of transaction	Enterprises owned or significantly influenced by key management personnel or their relatives	
	2021-22	**2020-21**
A. Transactions during the year		
Equity Shares issued to related parties		
Sojo Infotel Pvt Limited	1,020.00	-
Services Taken		
Am Express Worldwide Logistics	0.07	0.44
Ottomate International Private Limited	-	0.60
Expenses incurred on behalf of related parties		
Sojo Infotel Pvt Limited	0.03	0.27
Advance Given		
Sojo Infotel Pvt Limited	95.51	4.82
Amount Received from related parties		
Sojo Infotel Pvt Limited	5.07	-

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(All amounts in Indian Rupees million, unless otherwise stated)

b) Outstanding Balances with related parties

Nature of transaction	Enterprises owned or significantly influenced by key management personnel or their relatives	
	31 March 2022	31 March 2021
B. Amount due to / from related parties		
Sojo Infotel Pvt Limited	0.04	5.13
Trade Payables		
Am Express worldwide Logistics	0.12	0.19
Ottomate International Private Limited	-	0.03
Advance to Vendor		
Sojo Infotel Pvt Limited	95.60	-

c) Key management personnel compensation

Nature of transaction	Remuneration of Key Management Personnel	
	31 March 2022	31 March 2021
Short-term employee benefits	45.25	12.26
Post-employment benefits	4.47	0.51

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and their settlement occurs in cash.

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(All amounts in Indian Rupees million, unless otherwise stated)

30 Commitments and contingencies

(A) Capital and other commitments

	31 March 2022	31 March 2021
(a) Estimated amount of contracts to be executed on capital account [net of capital advances amounting to Rs. 15.15 million (31 March 2021: Rs. 1.50 million) and not provided for] (refer note 8(a))	84.22	5.15

(B) Contingent liabilities

	31 March 2022	31 March 2021
Bank guarantees	737.57	313.94
Sales tax demands [refer note (a)] (amount paid under protest Rs. 126.65 million (31 March 2021: Rs.126.44 million)	461.39	469.07
	1,198.96	**783.01**

(a) Sales tax demands

(i) The Hon'ble Supreme Court of India vide its order dated 17 December 2014 in the case of State of Punjab Vs. Nokia India Pvt. Limited, has held that the mobile charger contained in the mobile phone retail pack is an independent part and shall be separately charged to VAT at the rate as applicable to the chargers. The appellant has already approached the Hon'ble Supreme Court in a review petition challenging the judgement. In view of this judgement, the VAT Authorities of various states have raised demands along with interest and penalties aggregating to Rs. 115.46 million (31 March 2021: Rs. 126.11 million). The Holding Company has filed appeal against these demands. Amount paid under protest against demands amounting to Rs. 46.50 million (31 March 2021: Rs. 46.50 million) have been disclosed under balance with statutory/government authorities in other assets out of which Rs. 5.71 million is pending for refund from VAT Authorities as the cases had been disposed off in favour of the Holding Company.
Based on the legal assessment, management believes that the possibility of materialising sales tax demands is low. Accordingly, no provision is made in the financial statements for such demands.

(ii) Sales tax demand received of Rs 28.82 million (31 March 2021 : Rs. 35.55 million) (amount paid under protest of Rs 7.66 million (31 March 2021 : Rs. 7.45 million)) ((out of which Rs. 3.45 million is pending for refund from department as the cases had been disposed off in favour of the Holding Company from various sales tax authorities) for which the management believes that the possibility of materializing the demand is remote.

(iii) Sales tax demands received of Rs 283.70 million (31 March 2021 : Rs. 283.70 million) (amount paid under protest of Rs 70.93 million (31 March 2021 : Rs. 70.93 million)) classifying mobile phone under residuary entry under schedule- V, whereas as per lawyer's opinion product is well covered in specific entry 39 under schedule -IV for which management also believes that the possibility of materializing the sales tax demand is low. Accordingly, no provision is made in the financial statements for such demands.

(iv) Camera Module for mobile phone" is neither similar nor identical With Digital Still image video cameras" as claimed by Holding Company and thus the items " Camera Module for Mobile phone is totally different from " Digital still image video Cameras, hence availed exemption is not eligible to Holding Company. According to the Holding Company, the Holding Company have rightly claimed exemption from the payment of SWS under SR N0 30 of the notification No 11/2018 CT dated 02.02.2018 which exempts " Digital Still Image video Cameras falling under the Heading 8525 8020, considering camera module & digital still image video cameras serving the same purpose which is capturing the image and stored in data bank. Therefore, the Holding Company have done no mistake by claiming exemption under above said notification. The period in which Holding Company had claimed this exemption is 2nd Feb, 2018 to 31st Jul 2019. Total amount involved is Rs. 23.71 million (31 March 2021 : Rs. 23.71 million). Against the order passed by Commissioner, the Holding Company have filed an appeal before the CESTAT Delhi & deposited Rs. 1.56 million (31 March 2021 : Rs. 1.56 million) of above amount for filing the appeal as prescribed under law. As per the consultant, the Holding Company have a good case to argue and justify the claim.

(v) Goods & Services Tax demands received of Rs 9.70 million (31 March 2021 : Nil) (amount paid under protest of Rs. Nil (31 March 2021: Nil) on account of less ITC Reversal u/s 42/43 of CGST Act, the Holding Company had replied against the notice and submitted letter on April 05, 2022 with GST department, Noida for clearance of this matter and same has been settled in favour of the Holding Company.

(b) Others

(i) The Holding Company has filed a civil suit against Telefonaktiebolaget LM Ericsson ('Ericsson') before the Hon'ble District Court, Gautam Budh Nagar in the month of January 2015 in relation to alleged standard essential Patents of Ericsson. M/s Telefonaktiebolaget LM Ericsson ('Ericsson') filed a counter suit alleging infringement of it's alleged patents against the Holding Company in the month of March 2015. Since then, both the suits have been transferred/clubbed before the Hon'ble Delhi High Court and are pending final adjudication.

Hon'ble High Court, Delhi vide its order dated June 22, 2016 has passed an interim order wherein the Holding Company was injuncted from manufacturing, importing, selling its devices, subject to the condition of deposit of Rs. 300 million (as modified in appeal) with the Registrar General of Delhi High Court. The Holding Company has complied with the said order and deposited a sum of Rs. 300 million, as a result of which, the operation of Interim Order was stayed till the final disposal of the main suit. Presently the aforesaid suits are pending adjudication before the Delhi High Court. Based on legal advise and management's assessment thereof, the Holding Company does not expect any financial exposure upon final settlement and accordingly no provision has been made in the financial statement of the Holding Company.

(ii) On July 1, 2017, Research and Collaboration Agreement ('RCA') was executed between the Holding Company, Mintellectuals LLP and Nokia Technologies as a confirming party. Under the RCA, the parties were to explore and work towards the possibility of technical and research collaborations between Mintellectuals/Nokia and the Company.

The Holding Company made payments to Mintellectuals LLP under the RCA, with a view to receive the Research and Collaboration deliverables envisaged under the Agreement. The parties also agreed not to challenge/assert any legal rights in relation to Technically Necessary Patents, if any, used/practiced during the term of this agreement. The payments in question were being made by the Holding Company in lieu of the executory consideration/promise/obligation of Mintellectuals/Nokia to enable and assist research and collaboration in terms of the RCA and no technically necessary patents were used/practiced.

Consequently, the Holding Company declared the RCA to be frustrated as there was no consideration in its favour and consequently stopped making payments to Mintellectuals. As a result of this dispute, Mintellectuals initiated arbitration proceedings for recovery of amounts for the 4th and 5th quarter under the RCA, which was denied by the Company along with seeking refund of the amounts paid for the first three quarters under the RCA ("First Arbitration"). In relation to the First Arbitration, an award dated July 15, 2020 had been passed holding the Company liable to pay approximately Rs. 240 million. The Holding Company has challenged the award of the First Arbitration before the Hon'ble High Court of Delhi, which is admitted and pending final adjudication. Without prejudice to it's challenge to the award, the Holding Company has already paid Rs. 271.03 millions (including TDS net of GST) and submitted bank guarantee of Rs 119.50 millions with the Registrar General, Delhi High Court. Basis the Company's management assessment and supported by independent legal opinion from the legal counsel of the Holding Company, subject to the pending challenge, the entire amount paid by the Holding Company under this agreement to Mintellectuals is fully recoverable on legal grounds in favour of the Holding Company.

Mintellectuals had initiated another arbitration proceeding to claim amount allegedly due to it for the 6th quarter onwards ("Second Arbitration"), which is pending at the arbitral tribunal and no amount have been adjudicated as yet on the claims raised by Mintellectuals. Without prejudice to the same, the company has deposited the post-dated cheques amounting to Rs. 226.22 millions as a security with the concerned arbitral tribunal. Management has taken legal opinion from the lawyers and as per management's assessment, Holding Company has strong case before arbitral tribunal on the ground presented by the Holding company.

(iii) On November 29, 2017, Share Subscription & Shareholder Agreement ('SSSHA') was executed between the Holding Company, Sponsors of the Holding Company and UNIC Memory Technology (HK) Ltd. ('UNIC'). There were certain disagreements on timing of exit by UNIC, hence the parties were going through an arbitration procedure.

In relation to such ongoing arbitration, the Holding Company, Sponsors of the Holding Company and UNIC entered into an agreement dated August 7, 2021, and in this respect, a consent award dated September 9, 2021 ('the Settlement Agreement"), was passed by the arbitral tribunal. Also, in relation to the proceedings under section 9 of the Arbitration and Conciliation Act, 1996, UNIC had filed a withdrawal application in the Delhi High Court and the same has been withdrawn through an order dated September 16, 2021.

During the financial year 2021-22, as per the Settlement Agreement, UNIC has converted some of its compulsory convertible preference shares of the Holding Company into equity shares. Further, as per the Settlement Agreement, the Company was required to meet certain conditions for which the Company is in discussion with UNIC to extend the timelines. Accordingly in view of the ongoing communication with UNIC, the Company is not anticipating any liability towards UNIC.

(iv) During the review of transactions of certain third parties, the Directorate General of Goods and Service Tax, has identified certain sale and purchase transactions which was executed by the Holding Company with those parties. Based on that, the Department has issued a show cause notice dated July 30, 2022 to the Holding Company for the reversal of Input Tax Credit of Rs 920 million related to earlier years. Management has obtained a legal opinion from the lawyers and based on such assessment, the Holding Company does not expect any financial exposure and believe that it has a strong case and accordingly, no such reversal of Input Tax Credit will be required. Accordingly, no penalty, if any, will also be leviable as per the assessment of the management.

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(All amounts in Indian Rupees million, unless otherwise stated)

31 Employee stock option plans:

The plans existing during the year are as follows :

Number of options approved	15% of Equity Paid up Share capital
Method of settlement (Cash / Equity)	Cash/Equity
Vesting conditions	The employee should be on roll of the Holding Company or its subsidiary

The details of activity under ESOP Schemes have been summarized below:

Particulars	**31 March 2022**		**31 March 2021***	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at the beginning of year	48,701,702	8.27	20,147,360	10.69
Options granted during the year	459,852	17.03	28,554,342	6.56
Exercised / Settled during the year	-	-	-	-
Outstanding at the end of the year	49,161,554	8.35	48,701,702	8.27
Exercisable as at end of the year	42,619,502	7.17	20,147,360	10.69

The details of the ESOP outstanding are as follows:

Range of exercise price per share	**Options Outstanding as at 31 March 2022**			**Options Outstanding as at 31 March 2021***		
	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price
Rs 1 - Rs 3.125	20,444,744	3.76	2.50	20,444,744	4.76	2.50
Rs. 6.250 - Rs. 9.375	1,639,200	4.18	7.72	1,639,200	5.18	7.72
Rs. 9.375 - Rs. 12.500	18,508,158	0.10	10.95	18,508,158	0.27	10.95
Rs. 15.625 - Rs. 18.750	8,569,449	3.73	16.81	8,109,598	4.76	16.81

*Number of ESOPs and its exercise price has been calculated taking into account the following events happened post 31 March, 2021 :

a) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10 September 2021, the Holding Company undertook a stock split of one existing equity share of Rs. 10 each into two fully paid up equity shares of Rs. 5 each.

b) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10 September 2021, the Holding Company issued and allotted fully paid-up “bonus shares” at par in proportion of one new equity shares of Rs. 5 each for every one existing fully paid up equity share of Rs. 5 each held as on the record date of 08 September 2021.

The share based payment expense incurred during the year is shown in the following table:

	31 March 2022	**31 March 2021**
Expense arising from equity-settled share-based payment transactions	126.69	85.54
(Income) / Expense arising from settlement of options	-	-
	126.69	**85.54**

(All amounts in Indian Rupees million, unless otherwise stated)

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

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Holding Company, dues disclosed as per the Micro, Small and Medium Enterprise Development Act, 2006 at the year end are below:

S. No.	Particulars	31 March 2022	31 March 2021
1	The principal amount remaining unpaid to any supplier as at the end of each accounting year.	241.90	20.37
2	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	1.19	Nil
3	The amount of interest paid by the buyer in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
4	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 this Act.	Nil	Nil
5	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
6	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.	Nil	Nil

33 Details of Expenditure towards Corporate Social Responsibility as per section 135 of the Companies Act, 2013 and rules thereon:-

S. No.	Particulars	31 March 2022	31 March 2021
1	Gross amount required to be spent by the Holding Company during the year	8.05	11.93
2	Amount spent in cash during the year on:	8.10	35.65
a)	Construction/ acquisition of any asset	-	-
b)	Safeguarding environmental sustainability	8.10	-
c)	Promotion of education	-	27.78
d)	Upliftment of Rural Poor Youth	-	5.00
e)	Upliftment of Sports and Cultural Activities	-	2.87
3	Shortfall at the end of the year	-	-
4	Reason for Shortfall	NA	NA
5	Contribution to trust controlled by the Holding Company	Nil	Nil
6	Movement in Provision made	Nil	Nil

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34 Import of mobile phones only attracts Special Duty of Customs in lieu of Excise (CVD) which is equivalent to excise duty applicable on like goods as if manufactured or produced in India. Accordingly, mobile phones manufactured in India are subject to excise duty at the rate of 13.5% (including NCCD of 1%) if Cenvat Credit on inputs and capital goods is availed (rate of duty was 7.21% (including NCCD of 1%) till 28 February 2015) and 2% (including NCCD of 1%) if such Cenvat Credit on inputs and capital goods is not availed.

This has been further clarified by the Hon'ble Supreme Court of India in the similar cases by ruling that the benefit of exemption / concessional rate of excise duty, which is subject to a condition that no Cenvat credit on inputs or capital goods used in the manufacture of such goods shall be taken, is also available to the importers of like goods for payment of CVD under Customs.

During the financial years 2014 -2015 and 2015 - 2016, the Group was clearing the imported mobile phones by paying CVD of customs at higher rate of 7.21% before 1 March 2015 and 13.50% from 1 March 2015 instead of 2% during respective periods. The Group got re-assessed bills of entries amounting to Rs 638.47 million during the financial year 2017-18. Post clarification issued by the Hon'ble Supreme Court in M/s SRF case discussed above, and after re-assessment of bills of entries, the above said CVD amount became fully recoverable. Accordingly, the Group has claimed refund as per the Customs Act 1962.

As at 31st March 2022, total amount recoverable amounting to Rs. 315.37 million (31 March 2021: Rs. 391.64 million) (including recoverable charges for delayed payment amounting to Rs. 251.54 million (31 March 2021: Rs. 331.98 million)) was recorded, has been disclosed under “Balance with statutory/government authorities" based on legal opinion obtained.

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(All amounts in Indian Rupees million, unless otherwise stated)

35 Investments accounted for using the equity method

Set out below are the associate and joint venture of the group as at 31 March 2022 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Nature	Principal place of	Carrying amount 31 March 2022	Carrying amount 31 March 2021
MagicTel Solutions Private Limited	Associate	India	13.07	13.99
Yamuna Electronics Manufacturing Cluster Private Limited*	Joint venture	India	48.02	48.07
Total			**61.09**	**62.06**

*Through the shareholders agreement of Yamuna Electronics Manufacturing Cluster Private Limited, the Group has joint control over the entity, even though it only holds 45.33% effectively, of the voting rights.

(i) Commitments and contingent liabilities in respect of associates and joint ventures

The group has no contingent liabilities or capital commitments relating to its interest in MagicTel Solution Private Limited and Yamuna Electronics Manufacturing Cluster Private Limited as at 31 March 2022 and 31 March 2021.

The tables below provide summarised financial information for joint ventures and associates of the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Lava International Limited's share of those amounts.

Summarised Balance Sheet

	MagicTel Solutions Private Limited		Yamuna Electronics Manufacturing Cluster Private Limited	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Current assets	9.31	27.62	0.58	0.08
Non-current assets	43.74	29.77	141.45	141.98
Current liabilities	(0.76)	(1.40)	(19.48)	(19.40)
Non-Current liabilities	-	-	-	-
Net assets	**52.29**	**55.99**	**122.55**	**122.66**
Proportion of Group's ownership	25.00%	25.00%	45.33%	45.33%
Carrying amount of the Investment	13.07	13.99	48.02	48.07

(All amounts in Indian Rupees million, unless otherwise stated)

Summarised statement of profit and loss

	MagicTel Solutions Private Limited		Yamuna Electronics Manufacturing Cluster Private Limited	
	31 March 2022	**31 March 2021**	**31 March 2022**	**31 March 2021**
Revenue	5.75	5.57	-	-
Other income	0.02	-	-	-
Interest income	2.19	2.69	-	-
Cost of Sales	(3.10)	(2.67)		-
Depreciation and amortisation	(0.52)	(1.12)	-	-
Interest expense	(0.02)	(0.03)	-	-
Income tax expense/(income)	(0.02)	0.03	-	-
Employee benefit expense	(7.17)	(9.86)	-	-
Other expenses	(0.81)	(1.48)	(0.10)	(0.01)
Profit for the year	**(3.68)**	**(6.87)**	**(0.10)**	**(0.01)**
Other comprehensive income	-	-	-	-
Total comprehensive income	**(3.68)**	**(6.87)**	**(0.10)**	**(0.01)**
Tax adjustment of earlier years	-	-		
Proportion of Group's ownership	25.00%	25.00%	45.33%	45.33%
Gain/ (Loss) from profit of associate/ joint venture	(0.92)	(1.72)	(0.04)	(0.01)

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(All amounts in Indian Rupees million, unless otherwise stated)

36 Leases

In the statement of profit and loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

Contractual maturities of lease liabilities:-

The details of contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis are as follows:-

Particulars	**31 March 2022**	**31 March 2021**
Payable not later than 1 year	30.16	23.74
Payable later than 1 year and not later than 5 year	132.43	128.22
Later than 5 year	-	34.38
	162.59	**186.34**

Lease liability

Particulars	**Office building**	**Factory building**	**Warehouse Building**	**Total**
As at 31 March 2020	**65.91**	**147.38**	**10.78**	**224.07**
Addition in lease liability	-	-	-	-
Deletion in lease liability	6.87	-	7.96	**14.83**
Interest expense on lease liability	7.35	16.43	1.20	**24.98**
Payment made during CY	15.39	30.68	1.81	**47.88**
As at 31 March 2021	**51.00**	**133.13**	**2.21**	**186.34**
Addition in lease liability	-	-	-	-
Deletion in lease liability	-	-	-	-
Interest expense on lease liability	5.68	14.85	0.25	**20.78**
Payment made during CY	13.28	30.68	0.57	**44.53**
As at 31 March 2022	**43.40**	**117.30**	**1.89**	**162.59**
Non Current portion	**34.45**	**96.47**	**1.51**	**132.43**
Current maturities of lease liability	**8.95**	**20.83**	**0.38**	**30.16**

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Lava International Limited
Notes to consolidated financial statements for the year ended 31 March 2022
(All amounts in Indian Rupees million, unless otherwise stated)

37 Group Information

Additional information, as required under Schedule III to the Companies act, 2013 for entities consolidated as subsidiaries, Controlled trust, Associates and joint ventures :

S. No.	Name of the entity in the Group	Country of Incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
(i)	**Parent (Holding Company)**											
1	Lava International Limited	India	31 March 2022	-	69.24%	15,845.27	21.70%	405.49	0.00%	0.05	19.03%	405.44
			31 March 2021	-	66.56%	10,577.00	24.01%	414.40	0.07%	1.23	26.48%	413.17
(ii)	**Subsidiaries**											
	Indian											
1	Lava Enterprises Limited	India	31 March 2022	99.05%	0.22%	51.21	0.00%	(0.09)	-	-	0.00%	(0.09)
			31 March 2021	99.05%	0.32%	51.31	-0.01%	(0.09)	-	-	-0.01%	(0.09)
2	Sojo Distribution Private Limited	India	31 March 2022	90.00%	-0.03%	(6.60)	-0.30%	(5.59)	-	-	-0.26%	(5.59)
			31 March 2021	90.00%	-0.01%	(1.00)	-0.06%	(1.01)	-	-	-0.06%	(1.01)
3	Sojo Manufacturing Services (A.P.) Private Limited	India	31 March 2022	99.97%	0.17%	39.04	0.01%	0.24	-	-	0.01%	0.24
			31 March 2021	99.97%	0.24%	38.75	0.00%	(0.04)	-	-	0.00%	(0.04)
4	Sojo Manufacturing Services Private Limited	India	31 March 2022	99.95%	0.09%	20.84	0.00%	(0.03)	-	-	0.00%	(0.03)
			31 March 2021	99.95%	0.13%	20.88	0.00%	(0.03)	-	-	0.00%	(0.03)
	Foreign											
1	LAVA International (H.K.) Limited	Hong Kong	31 March 2022	100.00%	19.23%	4,400.02	22.31%	416.82	-	-	19.57%	416.82
			31 March 2021	100.00%	28.49%	4,526.96	25.70%	443.61	-	-	28.43%	443.61
2	Xolo International (H.K) Limited	Hong Kong	31 March 2022	100.00%	4.87%	1,115.23	20.78%	388.30	-	-	18.23%	388.30
			31 March 2021	100.00%	4.37%	694.00	24.30%	419.36	-	-	26.88%	419.36
3	Lava Technologies DMCC	UAE	31 March 2022	100.00%	8.11%	1,856.35	26.22%	489.93	-	-	23.00%	489.93
			31 March 2021	100.00%	8.24%	1,308.77	28.46%	491.16	-	-	31.48%	491.16

Lava International Limited

Notes to consolidated financial statements for the year ended 31 March 2022

(All amounts in Indian Rupees million, unless otherwise stated)

S. No.	Name of the entity in the Group	Country of Incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
4	Lava Technologies LLC (USA)	USA	31 March 2022	100.00%	0.17%	38.38	0.07%	1.29	-	-	0.06%	1.29
			31 March 2021	100.00%	0.22%	35.75	0.09%	1.58	-	-	0.10%	1.58
5	Pt. Lava Mobile Indonesia	Indonesia	31 March 2022	95.00%	0.00%	(1.05)	0.00%	-	-	-	0.00%	-
			31 March 2021	95.00%	-2.59%	(411.06)	0.47%	8.08	-	-	0.52%	8.08
6	Lava International DMCC, UAE	UAE	31 March 2022	100.00%	-0.18%	(40.92)	0.29%	5.39	-	-	0.25%	5.39
			31 March 2021	100.00%	-0.28%	(44.76)	-1.73%	(29.84)	-	-	-1.91%	(29.84)
7	Lava Mobility (Private) Limited, Sri Lanka	Sri Lanka	31 March 2022	100.00%	0.01%	1.67	0.00%	-	-	-	0.00%	-
			31 March 2021	100.00%	0.01%	2.37	0.00%	-	-	-	0.00%	-
8	Lava Mobile Mexico S.DER.L. DE C.V.	Mexico	31 March 2022	99.00%	0.00%	0.18	0.00%	-	-	-	0.00%	-
			31 March 2021	99.00%	-0.86%	(137.42)	0.00%	-	-	-	0.00%	-
9	Lava International (Myanmar) Co. Limited	Myanmar	31 March 2022	99.00%	0.01%	1.22	0.00%	-	-	-	0.00%	-
			31 March 2021	99.00%	0.01%	1.49	0.00%	-	-	-	0.00%	-
10	Lava international (Nepal) Private Limited	Nepal	31 March 2022	100.00%	0.00%	(0.36)	0.09%	1.68	-	-	0.08%	1.68
			31 March 2021	100.00%	-0.01%	(2.05)	0.00%	(0.06)	-	-	0.00%	(0.06)
11	Lava International (Bangladesh) Limited	Bangladesh	31 March 2022	99.99%	0.05%	11.82	-0.01%	(0.13)	-	-	-0.01%	(0.13)
			31 March 2021	99.99%	0.07%	11.71	0.20%	3.37	-	-	0.22%	3.37
12	China Bird Centroamerica, S.A.*	Panamá	31 March 2022	100.00%	9.33%	2,134.75	-0.68%	(12.77)	-	-	-0.60%	(12.77)
			31 March 2021	-	-	-	-	-	-	-	-	-
13	China Bird Hong Kong, Ltd.*	Hong Kong	31 March 2022	100.00%	-0.36%	(82.22)	-0.02%	(0.45)	-	-	-0.02%	(0.45)
			31 March 2021	-	-	-	-	-	-	-	-	-

Lava International Limited
Notes to consolidated financial statements for the year ended 31 March 2022
(All amounts in Indian Rupees million, unless otherwise stated)

S. No.	Name of the entity in the Group	Country of Incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
14	China Bird Guatemala, S.A.*	Guatemala	31 March 2022	100.00%	-0.15%	(35.40)	0.65%	12.22	-	-	0.57%	12.22
			31 March 2021		-	-	-	-	-	-	-	-
15	B Telecomunicatciones Mexico, S.A. DE C.V.*	México	31 March 2022	100.00%	-0.33%	(76.63)	1.92%	35.85	-	-	1.68%	35.85
			31 March 2021	-	-	-	-	-	-	-	-	-
16	Bmobile America *	Panamá	31 March 2022	100.00%	-0.02%	(4.08)	0.00%	-	-	-	0.00%	-
			31 March 2021	-	-	-	-	-	-	-	-	-
17	Sms De Guatemala, S.A. *	Panamá	31 March 2022	100.00%	-0.68%	(156.41)	0.00%	(0.08)	-	-	0.00%	(0.08)
			31 March 2021	-	-	-	-	-	-	-	-	-
18	Momemtum HK, LTD. *	Hong Kong	31 March 2022	100.00%	0.00%	(0.23)	0.00%	-	-	-	0.00%	-
			31 March 2021		-	-	-	-	-	-	-	-
19	Bmobile Europa *	España	31 March 2022	100.00%	-0.06%	(13.70)	0.00%	-	-	-	0.00%	-
			31 March 2021	-	-	-	-	-	-	-	-	-
20	Mobile Consumer Products, S.A. *	Panamá	31 March 2022	100.00%	4.41%	1,008.72	0.37%	6.98	-	-	0.33%	6.98
			31 March 2021	-	-	-	-	-	-	-	-	-
21	B Telecomunicaciones Colombia, S.A.C. *	Colombia	31 March 2022	100.00%	-0.02%	(5.05)	0.00%	-	-	-	0.00%	-
			31 March 2021	-	-	-	-	-	-	-	-	-
22	B Telecomunicaciones Lationoamerica, S.A. *	Ecuador	31 March 2022	100.00%	-0.10%	(23.13)	0.00%	-	-	-	0.00%	-
			31 March 2021	-	-	-	-	-	-	-	-	-

(All amounts in Indian Rupees million, unless otherwise stated)

S. No.	Name of the entity in the Group	Country of Incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
23	Poder Ecuatoriano De Manufactura Y Desarrollo Poecumade, S.A. *	Ecuador	31 March 2022	100.00%	-0.01%	(3.23)	0.00%	-	-	-	0.00%	-
			31 March 2021	-	-	-	-	-	-	-	-	-
24	B Telecomunicaciones Peru, S.A. *	Perú	31 March 2022	100.00%	0.09%	19.88	6.06%	113.22	-	-	5.32%	113.22
			31 March 2021	-	-	-	-	-	-	-	-	-
25	Azumi, S.A. *	Panamá	31 March 2022	100.00%	4.25%	971.67	-0.43%	(8.06)	-	-	-0.38%	(8.06)
			31 March 2021	-	-	-	-	-	-	-	-	-
26	Azumi, S.A. Agencia En Chile *	Chile	31 March 2022	100.00%	-0.50%	(115.42)	0.90%	16.80	-	-	0.79%	16.80
			31 March 2021	-	-	-	-	-	-	-	-	-
27	Azumi Hong Kong Ltd *	Hong Kong	31 March 2022	100.00%	0.08%	19.20	-0.16%	(2.96)	-	-	-0.14%	(2.96)
			31 March 2021	-	-	-	-	-	-	-	-	-
28	Azumi Mobile Africa *	South Africa	31 March 2022	100.00%	0.08%	18.27	0.66%	12.36	-	-	0.58%	12.36
			31 March 2021	-	-	-	-	-	-	-	-	-
29	Azumi USA, Corp. *	USA	31 March 2022	100.00%	-0.07%	(17.13)	-0.05%	(0.96)	-	-	-0.05%	(0.96)
			31 March 2021	-	-	-	-	-	-	-	-	-
30	Neocom, S.A. *	Chile	31 March 2022	100.00%	-0.58%	(133.24)	0.00%	-	-	-	0.00%	-
			31 March 2021	-	-	-	-	-	-	-	-	-
31	Ncaz Mexico, S.A. DE C.V.*	México	31 March 2022	100.00%	-2.24%	(513.32)	3.64%	68.00	-	-	3.19%	68.00
			31 March 2021	-	-	-	-	-	-	-	-	-
	Non Controlling interest in all subsidiaries		31 March 2022		-0.10%	(22.13)	-0.03%	(0.53)	-	-	-0.02%	(0.53)
			31 March 2021		-0.14%	(21.60)	0.02%	0.33	-	-	0.02%	0.33

Lava International Limited
Notes to consolidated financial statements for the year ended 31 March 2022
(All amounts in Indian Rupees million, unless otherwise stated)

S. No.	Name of the entity in the Group	Country of Incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
(iii)	**Associates**											
	Indian											
1	MagicTel Solutions Private Limited	India	31 March 2022	25.00%	0.06%	13.07	-0.05%	(0.92)	-	-	-0.04%	(0.92)
			31 March 2021	25.00%	0.09%	13.99	-0.10%	(1.72)	-	-	-0.11%	(1.72)
(iv)	**Joint venture (accounted for using equity method)**											
	Indian											
1	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	31 March 2022	45.33%	0.21%	48.02	0.00%	(0.04)	-	-	0.00%	(0.04)
			31 March 2021	45.33%	0.30%	48.07	0.00%	(0.01)	-	-	0.00%	(0.01)
(v)	**Controlled Trust**											
	Indian											
1	Lava Employee Welfare Trust	India	31 March 2022	-	0.00%	0.43	0.00%	0.08	-	-	0.00%	0.08
			31 March 2021	-	0.00%	0.33	0.00%	0.06	-	-	0.00%	0.06
	Inter company eliminations / adjustments on consolidation		31 March 2022	-	-15.21%	(3,480.51)	-3.93%	(73.38)	99.98%	(261.41)	8.83%	188.02
			31 March 2021	-	-5.17%	(821.94)	-1.34%	(23.09)	99.26%	164.64	-12.03%	(187.73)
	Total		**31 March 2022**		**100%**	**22,884.51**	**100%**	**1,868.66**	**100%**	**(261.46)**	**100%**	**2,130.12**
	Total		**31 March 2021**		**100%**	**15,891.56**	**100%**	**1,726.08**	**99%**	**165.87**	**100%**	**1,560.21**

* China Bird Centroamerica, S.A. and its subsidiaries have become subsidiaries in Financial Year 2021-22 w.e.f 16th September 2021.

(All amounts in Indian Rupees million, unless otherwise stated)

38 Research and development expenditure:

The Group has duly carried out its research and development activities during the year and the details of related expenditure are given below:

Particulars	As at 31 March 2022	As at 31 March 2021
Amount charged to Statement of Profit and Loss	128.92	66.49
Amount capitalised		
- Property, plant and equipment	10.36	2.94
	139.28	**69.43**

39 Previous year figures have been reclassed/regrouped, wherever considered necessary to make them comparable with those for the current year.

Particulars	Notes	31 March 2021	Regrouping	31 March 2021 Regrouped
Other Current Assets	8 (b)	4,108.69	(712.77)	3,395.92
Other Financials Assets	6 (g)	463.68	646.60	1,110.28
Loan	6 (g)	9.59	(9.59)	-
Other Current Liability	12	509.51	(75.76)	433.75
Advance Tax Assets (net)		1.95	(1.95)	-
Current Tax Liabilities (net)	13	361.14	(1.95)	359.19
Changes in inventories of finished goods, spares and stock in trade	17	(1,293.96)	20.66	(1,273.30)
Cost of raw material and components consumed	16	11,566.75	(20.66)	11,546.09

40 Business Combination

Pursuant to the Share Swap Agreement dated August 4, 2021 entered into amongst the Company, China Bird Centroamerica S.A., Clipper Global S.A., shareholders of Clipper Global S.A. and shareholders of the Company, the Company purchased 15,000 equity shares aggregating to 100% of the issued and paid-up share capital of China Bird Centroamerica S.A., on a fully diluted basis, from the Clipper Global S.A. for a consideration of USD 50.54 million.
On 16th September 2021, the Holding Company had issued a total of 27,888,492 equity shares at a face value of Rs. 5 each (share premium of Rs. 128.25 each) to Clipper Global S.A., for acquisition of China Bird Centroamerica S.A. with 100% equity stake for a total purchase consideration of Rs. 3,716.14 millions. China Bird Centroamerica S.A. is engaged in the supply of mobile phones and telecommunication equipments.

Particulars	Amount
Purchase consideration paid for equity share	3,716.14
Less: Value of fair value net assets on acquisition date	1,379.92
Surplus arising out of acquisition	**2,336.22**
Less :-Brand	2,142.19
Less :- Long term customer contacts	65.28
Goodwill arising out of acquisition	**128.75**

(a) Revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of profit and loss of the Group:

Particulars	Amount
Revenue from Operations	3,191.43
Profit before tax	223.20

(All amounts in Indian Rupees million, unless otherwise stated)

(b) Details of assets acquired and liabilities recognised at the date of acquisition

Particulars	Amount
Non current assets	
Property, plant & equipment	15.37
Investment in companies	705.01
Prepaid expenses	25.96
Other financial assets	6.61
Current assets	
Inventories	1,569.06
Balance with banks	63.98
Trade receivable	471.51
Other current assets	719.37
Current liabilities	
Borrowings	(1,011.77)
Trade payable	(1,148.29)
Other financial liabilities	(2.10)
Other current liabilities	(34.79)
Fair value of net assets acquired	**1,379.92**

The determination of the fair value is based on discounted cash flow method. Key assumptions on which the Management has based fair valuation include estimated long-term growth rates, weighted average cost of capital and estimated operating margin.

(c) The Goodwill arising on business combination is measured at cost at the acquisition date, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is tested for impairment at the reporting date. hence, there is no impairment in the value of the Goodwill.

41 The Outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The manufacturing activities and the sales and distribution of the products of the Group were disrupted due to lockdowns and the general economic slowdown.

The Group believes the current disruptions in operations are temporary in nature and based on the business outlook and various initiatives announced by the respective Central and state governments, this may not result in any significant financial impact on the Group. The management has considered internal and external sources of information up to the date of approval of these financial statements, in assessing the recoverability of investments and assets, trade receivables, liquidity, financial position and operations of the Group and based on the management’s assessment, there is no material impact on the financial results of the Group.

Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these financial statements, and this will continue to be monitored in future periods.

42 The Holding Company has appointed independent consultants for conducting a transfer pricing study to determine whether the transactions with associated enterprises were undertaken at "arm’s length price". The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms and is confident of there being no adjustments on completion of the study. Adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed.

43 There are certain receivables and payables where the Holding Company intends to set off with each other. For the purpose of presentation in financial statements, such receivables and payables have been presented on net basis. The Group is in process of obtaining the requisite approvals from the appropriate authorities in this regard.

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

45 There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

46 The Group has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any and to the extent ascertainable, on long term contracts including derivative contracts.

47 The Group does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

48 The Group has not been declared wilful defaulter as at the date of the balance sheet or on the date of approval of the financial statements.

49 The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

50 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

51 The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

52 The Group has no transactions during the year with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

53 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

54 The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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.

55 The Code on Social Security, 2020 ('Code') relating to employee benefits, during employment and post-employment benefits, has received the Presidential assent in September 2020. This Code has been published in the Gazette of India. However, the effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. The Group will evaluate the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

As per our report of even date as attached

For ASA & Associates LLP
Chartered Accountants
Firm's Registration No.: 009571N/N500006

Sd/-
Prateet Mittal
Partner
Membership No. 402631

Place: Noida
Date: December 5, 2022

For and on behalf of the Board of Directors of
Lava International Limited
CIN - U32201DL2009PLC188920

Sd/-
Hari Om Rai
Chairman & Managing Director
(DIN-01191443)

Sd/-
Shailendra Nath Rai
Whole-Time Director
(DIN-00908417)

Sd/-
Asitava Bose
Chief Financial Officer

Sd/-
Naveen Kumar
Company Secretary
(M.No.- ACS 46279)

Place: Noida
Date: December 5, 2022