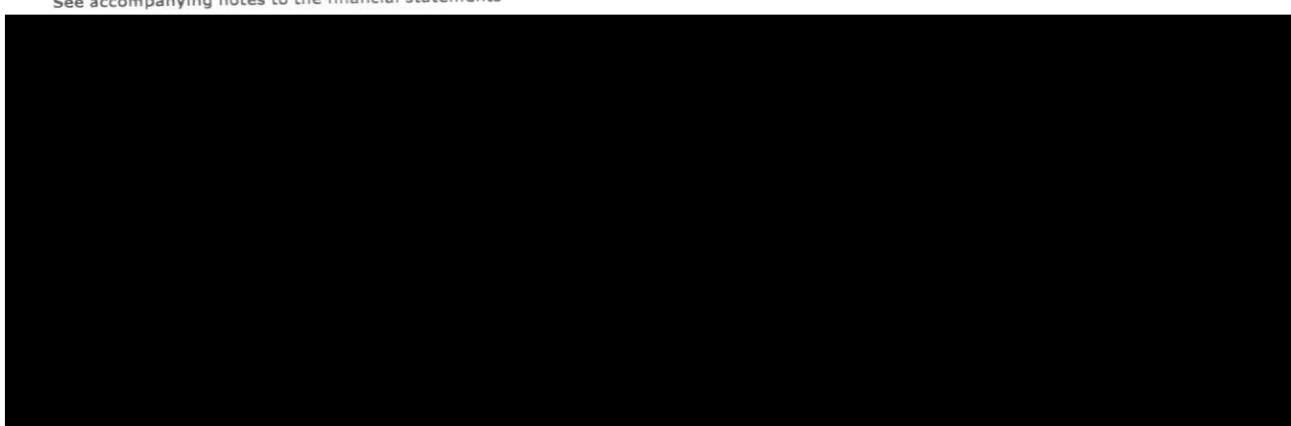


STANDALONE BALANCE SHEET AS AT 31 MARCH, 2022

	Note No.	As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
ASSETS			
NON-CURRENT ASSETS			
a. Property, plant and equipment	4.1	43,392.42	44,295.63
b. Capital work-in-progress	4.2	1,392.10	707.16
c. Right of Use Assets	4.3	16,464.17	7,129.93
d. Intangible assets	4.4	578.99	489.66
e. Intangible assets under development	4.5	89.75	159.79
f. Financial assets	5	8,721.95	8,721.95
(i) Investment	6	428.10	608.81
(ii) Other financial assets	26	4,301.02	1,531.83
g. Deferred tax assets (net)	7	891.21	1,187.85
h. Income tax assets (net)	8	7,184.12	2,426.02
i. Other non-current assets			
Total non-current assets		83,443.83	67,258.63
CURRENT ASSETS			
a. Inventories	9	1,24,853.44	89,222.88
b. Financial assets	10	25,057.28	17,650.31
(i) Trade receivables	11	80,590.14	1,14,196.74
(ii) Cash and cash equivalents	12	4,200.00	-
(iii) Other Balances with Banks	13	1,800.00	-
(iv) Loans	14	346.32	387.32
(v) Other financial assets	15	39,735.57	22,822.98
c. Other current assets			
Total current assets		2,76,582.75	2,44,280.23
TOTAL		3,60,026.58	3,11,538.86
EQUITY AND LIABILITIES			
EQUITY			
a. Equity share capital	16	80,292.39	80,292.39
b. Other equity	17	1,11,870.32	88,971.68
Equity attributable to owners of the Company		1,92,162.71	1,69,264.07
Total Equity		1,92,162.71	1,69,264.07
LIABILITIES			
NON-CURRENT LIABILITIES			
a. Financial liabilities	18	2,771.52	2,254.71
(i) Lease Liabilities	19	1,416.48	1,351.65
(ii) Other financial liabilities	20	18,015.80	13,964.85
b. Provisions	21	678.43	751.74
c. Other non-current liabilities			
Total non-current liabilities		22,882.23	18,322.95
CURRENT LIABILITIES			
a. Financial liabilities	22	8,931.75	7,357.18
(i) Trade payables		76,518.34	72,719.54
-Total outstanding dues of micro enterprises and small enterprises			
-Total outstanding dues of creditors other than micro enterprises			
and small enterprises			
(ii) Lease Liabilities	18	3,193.48	1,919.06
(iii) Other financial liabilities	23	638.52	-
b. Provisions	24	4,408.24	3,466.25
c. Other current liabilities	25	51,291.31	38,489.81
Total current liabilities		1,44,981.64	1,23,951.84
Total liabilities		1,67,863.87	1,42,274.79
Total equity and liabilities		3,60,026.58	3,11,538.86

See accompanying notes to the financial statements



STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

	Note No.	Year ended 31 March, 2022 (Rupees in Lakhs)	Year ended 31 March, 2021 (Rupees in Lakhs)
I Revenue from operations	27	4,68,039.98	3,36,502.75
II Other income	28	3,684.86	2,279.07
III Total income (I+II)		4,71,724.84	3,38,781.82
IV Expenses			
a. Cost of material consumed		3,08,360.93	1,74,066.17
b. Purchases of stock-in-trade		38,343.06	32,554.80
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(10,583.15)	23,443.19
d. Employee benefits expense	30	28,963.76	22,777.20
e. Finance costs	31	2,908.87	2,573.35
f. Depreciation and amortisation expense	32	13,389.89	13,490.90
g. Other expenses	33	58,669.08	46,847.46
Total expenses (IV)		4,40,052.44	3,15,753.07
V Profit before tax (III-IV)		31,672.40	23,028.75
VI Tax expense			
a. Current tax	34	11,610.96	7,748.34
b. Deferred tax charge/(credit)	34	(2,769.19)	298.24
		8,841.77	8,046.58
VII Profit for the year (V-VI)		22,830.63	14,982.17
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit	39	90.89	292.60
(ii) Income tax relating to items that will not be reclassified to profit or loss		(22.88)	(73.65)
VIII Total other comprehensive income/ (loss) (i+ii)		68.01	218.95
IX Total comprehensive income for the year (VII+VIII)		22,898.64	15,201.12

Earnings per equity share

(Face value of Rs 100 per share)

- Basic and diluted (in Rs.)

41

28.43

18.66

See accompanying notes to the financial statements



STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Year ended 31 March, 2022 (Rupees in Lakhs)	Year ended 31 March, 2021 (Rupees in Lakhs)
A. Cash flows from operating activities		
Profit before tax	31,672.40	23,028.75
Adjustments for :		
Interest income	(2,559.97)	(1,709.59)
Depreciation and amortisation expense	13,389.89	13,490.90
Liabilities / provisions no longer required written back	(151.85)	(189.39)
Finance cost recognised in profit or loss	530.34	354.79
Revenue arising from government grant (net)	(5.82)	(5.82)
Provision for warranty	917.45	1,705.97
Amortisation of prepaid expenses	(8.22)	0.56
Loss on early termination of leases	-	3.62
Remeasurement of the defined benefit plans	90.89	292.60
Provision for doubtful trade and other receivables	(446.26)	(166.65)
Net loss/ (gain) on disposal of property, plant and equipment	1.66	0.66
Misc Loss/(Income)	651.11	-
Net unrealised exchange (gain)/loss	31.07	108.03
Operating profit before working capital changes	44,112.69	36,914.43
Movements in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other non-current assets	95.93	27.19
Inventories	(35,630.56)	24,528.71
Trade receivables	(7,406.97)	6,776.97
Other current financial assets	(100.85)	(94.05)
Other current assets	(16,912.59)	3,975.71
Adjustments for increase / (decrease) in operating liabilities:		
Other non current financial liabilities	64.83	(67.04)
Current provisions	640.26	187.18
Other non-current liabilities	(73.31)	(13.12)
Trade payables	5,495.93	20,804.41
Other current financial liabilities	1.20	(2.46)
Non current provisions	3,435.23	2,064.67
Other current liabilities	12,801.50	17,369.76
Cash generated from operations	(37,589.40)	75,557.93
Income taxes paid	6,523.29	1,12,472.36
Proceeds of Insurance Claim	(11,337.20)	(5,826.30)
Net cash generated (used in) operating activities	(4,813.91)	1,06,646.06
B. Cash flows from investing activities		
Other non-current financial assets	180.71	35.50
Investments in subsidiary	-	(8,721.95)
Loan Given to Related Party	(1,800.00)	-
Capital expenditure on fixed assets including capital advances	(21,006.89)	(6,823.22)
Fixed Deposits with banks (placed)/realised	(4,200.00)	-
Interest received	2,674.86	1,509.02
Proceeds from disposal of property, plant and equipment	14.13	1.76
Net cash generated (used in) investing activities	(24,137.19)	(13,998.89)
C. Cash flows from financing activities		
Repayment of lease liabilities	(4,123.38)	(2,551.06)
Finance cost paid on lease liabilities	(530.34)	(349.26)
Interest paid on bank Loans	-	(5.53)
Net Cash generated (used in) financing activities	(4,653.72)	(2,905.85)
D. Net increase in cash and cash equivalents [A+B+C]	(33,604.82)	89,741.32
E. Cash and cash equivalents at the beginning of the year		
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	1,14,196.74	24,475.01
Cash and cash equivalents at the end of the year [D+E]	80,590.14	1,14,196.74
Cash and cash equivalents at the end of the year (refer note 11)	80,590.14	1,14,196.74

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

a. Equity share capital

Particulars	Amount (Rupees in Lakhs)
Issued and paid up capital as at 1 April 2020	80,292.39
Changes in equity share capital during the year	-
Balance as at 31 March, 2021	80,292.39
Changes in equity share capital during the year	-
Balance as at 31 March, 2022	80,292.39

b. Other equity

Particulars	Amount (Rupees in Lakhs)
Retained earnings	
Balance as at 1 April, 2020	73,770.56
Profit for the year	14,982.17
Other comprehensive income for the year, net of income tax	218.95
Total comprehensive income for the year	15,201.12
Balance as at 31 March 2021	88,971.68
Profit for the year	22,830.63
Other comprehensive income for the year, net of income tax	68.01
Total comprehensive income for the year	22,898.64
Balance as at 31 March 2022	1,11,870.32

See accompanying notes to the financial statements

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

4 : Property, plant and equipment (PPE), Right of use assets, Capital work-in-progress, Intangible assets & Intangible assets under development:

Carrying amounts of:	As at	
	31 March, 2022 (Rupees in Lakhs)	31 March, 2021 (Rupees in Lakhs)
a) Property, plant and equipment (PPE):-	4.1	
i) Leasehold assets		
Buildings on leasehold land	12,905.42	13,555.04
Leasehold improvements	325.37	313.21
	13,230.79	13,868.25
ii) Owned assets		
Plant and equipment	28,666.99	28,859.14
Furniture and fixture	110.04	141.73
Office equipment	568.39	607.38
Computers	808.40	800.29
Vehicles	7.81	18.84
	30,161.63	30,427.38
	43,392.42	44,295.63
b) Capital work-in-progress	4.2	707.16
c) Right of use assets:-	4.3	
Leasehold land	10,553.61	3,125.06
Buildings	5,631.30	3,678.51
Vehicles	279.26	326.36
	16,464.17	7,129.93
d) Intangible assets	4.4	578.99
e) Intangible assets under development	4.5	89.75
		52,782.17
	61,917.43	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

4.1 : Property, plant and equipment (refer note 2.7)

Particulars						(Rupees in Lakhs)	
	Buildings on leasehold land	Leasehold improvements	Plant and equipment	Furniture and fixtures	Office equipment	Computers (owned)	Vehicles (owned)
Cost or deemed cost							
Balance as at 1 April, 2020	17,951.97	1,154.95	56,436.33	583.00	1,257.60	2,025.30	55.16
Additions	637.00	-	2,401.02	3.32	179.71	197.31	-
Disposals	-	0.06	35.82	0.43	5.22	145.20	-
Adjustments	-	-	(7.60)	-	7.60	108.81	-
Balance as at 31 March, 2021	18,588.97	1,154.89	58,793.93	585.89	1,439.69	2,186.22	55.16
Additions	316.19	193.54	6,679.55	47.75	191.20	508.96	-
Disposals	-	-	326.68	0.14	23.72	118.12	-
Adjustments	-	-	-	-	-	-	-
Balance as at 31 March, 2022	18,905.16	1,348.43	65,146.80	633.50	1,607.17	2,577.06	55.16
Accumulated depreciation and impairment							
Balance as at 1 April, 2020	4,099.77	617.87	23,057.67	343.14	613.11	915.93	25.29
Depreciation expense	934.16	223.81	6,911.76	101.39	223.52	529.42	11.03
Disposals	-	-	34.25	0.37	4.71	144.98	-
Adjustments	-	-	(0.39)	-	0.39	85.56	-
Balance as at 31 March, 2021	5,033.93	841.68	29,934.79	444.16	832.31	1,385.93	36.32
Depreciation expense	965.81	181.38	6,857.15	79.41	230.02	499.81	11.03
Disposals	-	-	312.13	0.11	23.55	117.08	-
Adjustments	-	-	-	-	-	-	-
Balance as at 31 March, 2022	5,999.74	1,023.06	36,479.81	523.46	1,038.78	1,768.66	47.35
Carrying amount							
Balance as at 31 March, 2021	13,555.04	313.21	28,859.14	141.73	607.38	800.29	18.84
Balance as at 31 March, 2022	12,905.42	325.37	28,666.99	110.04	568.39	808.40	7.81
							46,880.86

Footnotes:

- 1) Addition in plant and equipment is net off benefit of Export Promotion Capital Goods (EPCG) Scheme availed by the company amounting to Rs.64.04 Lakhs (Previous Year Nil Lakhs).
- 2) Additions of Financial Year 2020-21 is net off M-SIPS (Modified Special Incentive Package Scheme) Incentives disbursed to the company by Ministry of Electronics and Information Technology, Government of India amounting to Rs. 2,422.31 Lakhs vide letter no. F.No.W-37/8/2020-IPHW ,Dated 21st Dec,2020 & F.No.W-37/8/2020-IPHW (Vol. II), Dated 19th March,2021. (Current Year Nil) (Refer Note 2.12).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

4.2 : Capital Work in Progress (refer note 2.7)

	Amount in CWIP for a period of				As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	1,385.36	6.74	-	-	1,392.10	707.16
Total	1,385.36	6.74	-	-	1,392.10	707.16

Capital work-in-progress ageing schedule for the year ended March 31, 2022 is as follows:

Particulars	Amount in CWIP for a period of				As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	1,385.36	6.74	-	-	1,392.10	1,392.10
Total	1,385.36	6.74	-	-	1,392.10	1,392.10

Capital work-in-progress ageing schedule for the year ended March 31, 2021 is as follows:

Particulars	Amount in CWIP for a period of				As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	351.75	355.41	-	-	351.75	707.16
Total	351.75	355.41	-	-	351.75	707.16

Company's Capital work-in-progress plans are assessed on annual basis and all the projects are executed as per company's original plans.



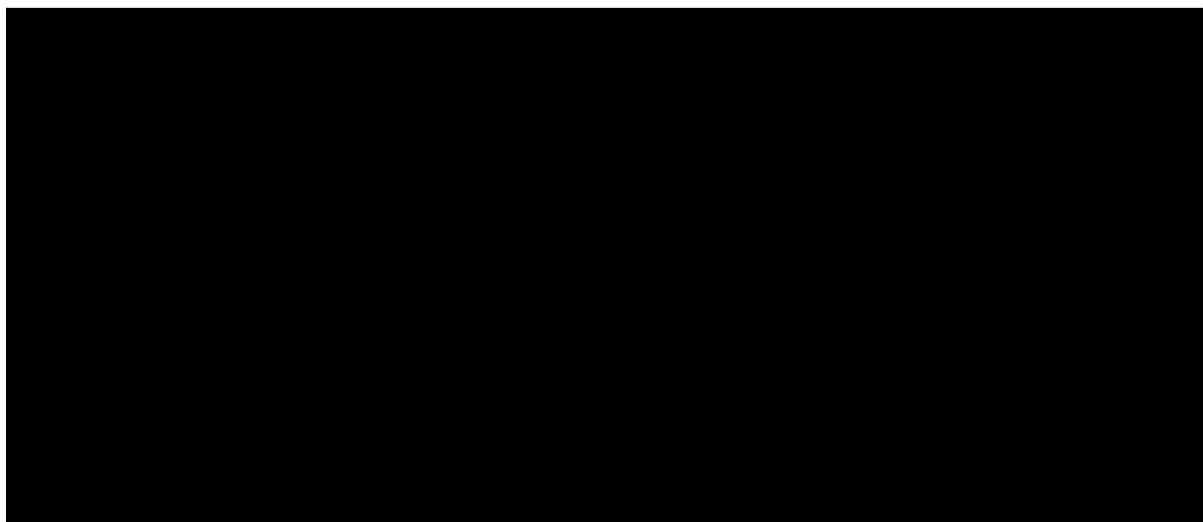
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

4.3 : Right of use assets (Refer Note No. 2.14)

Particulars	Leasehold Land	Leasehold Buildings	Vehicles	(Rupees in Lakhs)
<u>Gross Carrying amount</u>				
Balance as at 1st April, 2020	3,194.15	11,323.01	483.85	15,001.01
Additions	-	3,746.09	64.08	3,810.17
Disposals	-	6,341.12	15.46	6,356.58
Adjustments During the Year	-	-	-	-
Balance as at 31 March, 2021	3,194.15	8,727.98	532.47	12,454.60
Additions	7,502.32	5,973.95	104.73	13,581.00
Disposals	-	4,852.62	103.64	4,956.26
Adjustments During the Year	-	-	-	-
Balance as at 31 March, 2022	10,696.47	9,849.31	533.56	21,079.34
<u>Accumulated depreciation and impairment</u>				
Balance as at 1 April, 2020	34.54	5,003.73	92.35	5,130.62
Depreciation expense	34.55	4,050.16	129.22	4,213.93
Eliminated on disposals of assets	-	4,004.42	15.46	4,019.88
Adjustments During the Year	-	-	-	-
Balance as at 31 March, 2021	69.09	5,049.47	206.11	5,324.67
Depreciation expense	73.77	4,021.16	146.80	4,241.73
Eliminated on disposals of assets	-	4,852.62	98.61	4,951.23
Adjustments During the Year	-	-	-	-
Balance as at 31 March, 2022	142.86	4,218.01	254.30	4,615.17
<u>Carrying amount</u>				
Balance as at 31 March, 2021	3,125.06	3,678.51	326.36	7,129.93
Balance as at 31 March, 2022	10,553.61	5,631.30	279.26	16,464.17

Footnotes:

- 1) Leasehold Lands represent lands obtained on long term lease from Rajasthan State Industrial Development and Investment Corporation Limited (RIICO) located at Neemrana, Rajasthan and Sri City Private limited located at Mallavaripalem, Andhra Pradesh.
- 2) Leasehold Building represent properties taken on lease for offices and warehouses accounted for in accordance with principle of Ind AS 116 "Leases"
- 3) Vehicles represents cars taken on lease.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

4.4 : Intangible assets (refer Note 2.8)

	As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
Softwares	578.99	489.66
	578.99	489.66
Particulars		Software
Cost or deemed cost		
Balance as at 1 April, 2020		2,458.97
Additions		190.24
Disposals/Adjustments		108.81
Balance as at 31 March, 2021		2,540.40
Additions		412.88
Disposals		19.66
Adjustments		-
Balance as at 31 March, 2022		2,933.62
Accumulated amortisation and impairment		
Balance as at 1 April, 2020		1,794.42
Amortisation expense		341.88
Disposals/Adjustments		85.56
Balance as at 31 March, 2021		2,050.74
Amortisation expense		323.55
Disposals/Adjustments		19.66
Balance as at 31 March, 2022		2,354.63
Carrying amount of softwares		
Balance as at 31 March, 2021		489.66
Balance as at 31 March, 2022		578.99

4.5 Intangible assets under development

	As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
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Intangible assets under development	89.75	159.79
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Intangible assets under development ageing schedule for the year ended March 31, 2022 is as follows:

Particulars	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	47.75	42.00	-	-	89.75
Projects temporarily suspended	-	-	-	-	-
Total	47.75	42.00	-	-	89.75

Intangible assets under development ageing schedule for the year ended March 31, 2021 is as follows:

Particulars	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	159.79	-	-	-	159.79
Projects temporarily suspended	-	-	-	-	-
Total	159.79	-	-	-	159.79

Company's Capital work-in-progress plans are assessed on annual basis and all the projects are executed as per company's original plans.

5 : Investment

	As at 31 March, 2022 Rupees in lakhs	As at 31 March, 2021 Rupees in lakhs
	8,721.95	8,721.95

Investment in Subsidiary

(Fully paid up Unquoted equity instrument)

(at cost less impairment, unless otherwise stated):

Citizen Industries Private Limited (formerly known as Citizen Industries Limited) 7,17,754 number of equity shares of Rs. 10 each (Previous year 7,17,754 number of equity shares, Refer Note No. 53)	8,721.95	8,721.95
	8,721.95	8,721.95

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

	As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
6 Other non-current financial assets (unsecured) (measured at amortised cost)		
a. Security deposits		
- considered good	425.00	605.71
- considered doubtful	0.50	1.04
Less: Allowance for doubtful advances	(0.50)	(1.04)
b. In earmarked deposit accounts (considered good)	3.10	3.10
- Balance held as margin money*		
	428.10	608.81
* [Represents Rs. 3.10 lakhs (31 March 2021: Rs. 3.10 lakhs) under lien as securities with sales tax authorities]		
7 Non-current tax assets (unsecured, considered good)		
a. Advance income tax (net)	891.21	1,187.85
[Net of provision for income tax Rs. 29,149.34 lakhs (31 March 2021: Rs. 42,593.05 lakhs)]		
	891.21	1,187.85
8 Other non-current assets (unsecured)		
a. Capital advances (considered good) (Refer note no 40)	6,230.17	1,384.36
b. Prepaid expenses (considered good)	97.36	200.73
c. Recoverable from government authorities		
i. Special additional duty recoverable		
-considered good	38.13	38.13
-considered doubtful	115.27	115.27
Less: Allowance for doubtful receivable	(115.27)	(115.27)
	38.13	38.13
ii. Revenue deposit receivable		
-considered good	78.66	78.66
-considered doubtful	178.49	178.49
Less: Allowance for doubtful receivable	(178.49)	(178.49)
	78.66	78.66
d. Deposits against cases with :		
i. Entry tax recoverable (considered doubtful)	23.05	23.05
Less: Allowance for doubtful receivable	(23.05)	(23.05)
ii. Sales tax authorities (considered good)	244.99	229.33
iii. Custom authorities (considered good)	494.81	494.81
	7,184.12	2,426.02
9 Inventories (lower of cost and net realisable value) (refer note 2.5)		
a. Raw materials including packaging material and components	37,234.08	17,291.32
Goods-in-transit	16,573.16	11,468.51
	53,807.24	28,759.83
b. Work-in-progress	1,836.90	1,615.41
c. Finished goods (other than those acquired for trading)	46,232.15	35,766.07
Finished goods-in-transit	5,224.14	3,922.63
	51,456.29	39,688.70
d. Stock-in-trade (in respect of goods acquired for trading)	6,783.77	6,041.79
Goods-in-transit	1,610.99	2,669.76
	8,394.76	8,711.55
e. Stores and spares	9,161.44	9,855.30
Goods-in-transit	196.81	592.09
	9,358.25	10,447.39
	1,24,853.44	89,222.88

Footnotes:

- i. Provision for write-down on value of inventory recognised in statement of profit and loss

	As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
10 Trade receivables (unsecured)		
(measured at amortised cost)		
-considered good*	25,057.28	17,650.31
-considered doubtful	199.45	639.26
Less: Allowance for doubtful debts (including allowance for expected credit loss)	(199.45)	(639.26)
	25,057.28	17,650.31

*refer note 40 for related party balances.

Footnotes:

- i. The average credit period on sales of goods is 23 days (Previous Year 23 Days). No interest is charged on the trade receivables for the amount overdue above the credit period. There are two customers who represent more than 5% (Previous Year 2 Nos. of Customers) of the total balance of the trade receivables. Disclosure of credit value and percentage of the customer has been identified and disclosed on the basis of customer code allocated by the company.
- ii. Before accepting any new customer, Company assesses the credit worthiness of customer to assess the credit quality and the credit limits for the customer.
- iii. The expected credit loss model for recognition and measurement is derived based on risk of delays and default in collection. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a allowance matrix. Management makes specific allowance in cases where there are known specific risks of customer default in making the repayments. The allowance matrix takes into account historical credit loss experience and adjusted for forward- looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the allowance matrix. The allowance matrix at the end of the reporting period is as follows.

Expected credit loss %

Ageing	As at 31 March, 2022	As at 31 March, 2021
Less than 1 year	0.00%	0.00%
1-2 years	1.13%	1.28%
2-3 years	0.06%	0.08%
More than 3 years	0.00%	0.00%

Movement in the allowance for doubtful debts (refer note 38.6)

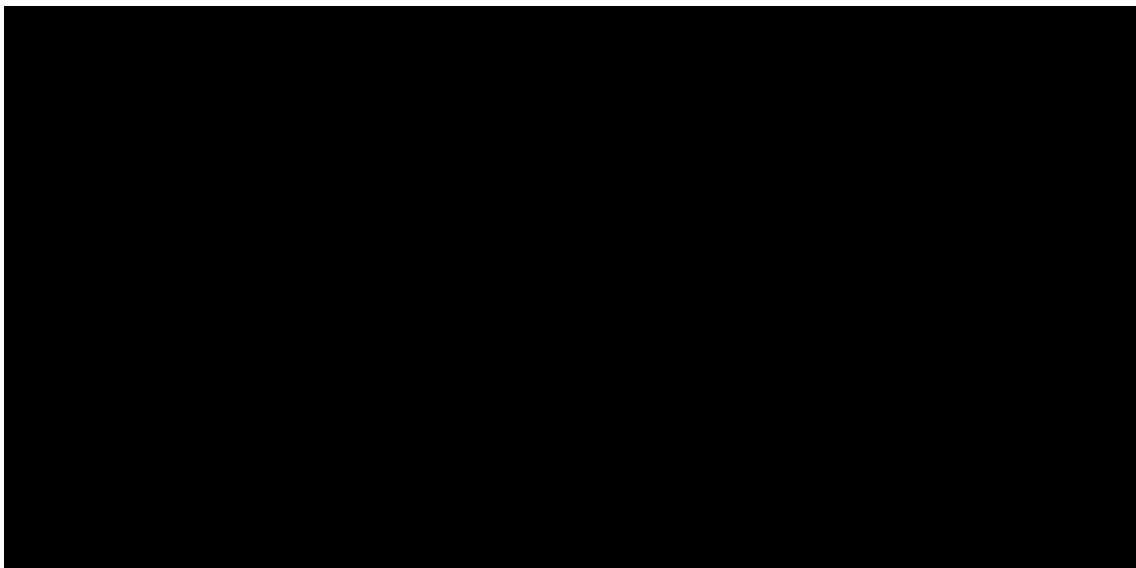
Particulars	Year ended 31 March, 2022 (Rupees in Lakhs)	Year ended 31 March, 2021 (Rupees in Lakhs)
Balance at beginning of the year	639.26	810.75
Add: Additional allowance created	10.63	479.10
Less: allowance utilised/reversed	450.44	650.59
Balance at end of the year	199.45	639.26

iv. Trade receivables ageing schedule for the year ended as on March 31, 2022:

Particulars	Not Due	Outstanding for following periods from due date of payment					(Rupees in Lakhs)
		Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	21,353.95	3,395.55	207.76	30.52	15.38	54.12	25,057.28
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	9.10	3.66	21.96	34.72
Disputed Trade Receivables - credit impaired	-	1.54	-	2.80	45.12	115.27	164.73
Total	21,353.95	3,397.09	207.76	42.42	64.16	191.35	25,256.73
Less: Allowance for Credit Loss							199.45
Total Trade Receivables							25,057.28

Trade receivables ageing schedule for the year ended as on March 31, 2021:

Particulars	Not Due	Outstanding for following periods from due date of payment					(Rupees in Lakhs)
		Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	14,327.93	3,205.44	46.83	85.92	53.08	17.27	17,736.47
Undisputed Trade Receivables - which have significant increase in credit risk	-	81.26	213.41	66.00	7.22	33.19	401.08
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	10.92	-	29.08	81.55	30.47	152.02
Total	14,327.93	3,297.62	260.24	181.00	141.85	80.93	18,289.57
Less: Allowance for Credit Loss							639.26
Total Trade Receivables							17,650.31



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR

	As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
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11 Cash and cash equivalents

a. **Balances with banks**

i. In current accounts	5,557.05	4,207.75
ii. In EEFC account	4,291.29	989.46
iii. Fixed Deposits with maturity less than 3 months	70,740.00	1,08,997.50
b. Cash on hand	1.80	2.03
	80,590.14	1,14,196.74

12 Other Balances with Banks

a. Fixed deposits with maturity more than 3 months but less than 12 months	4,200.00	-
	4,200.00	-

13 Loans (unsecured, considered good)

a. Loans and Advances to Related Party (refer note 40)	1,800.00	-
	1,800.00	-

Type of Borrower	As at 31 March, 2022	
	Amount outstanding	Percentage to the total Loans
Wholly Owned Subsidiary	1,800.00	100.00%
Total	1,800.00	100.00%

	As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
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14 Other current financial assets (unsecured, considered good)

a. Security deposits (at amortised cost)		
- considered good	260.49	131.37
- considered doubtful	7.54	13.64
Less: Allowance for doubtful advances	(7.54)	(13.64)
b. Interest accrued on fixed deposits	67.85	227.68
c. Interest receivable on Loan to Related Party (refer note 40)	17.98	-
d. Derivative financial instruments designated at fair value through profit or loss (Net) (refer Note 38.8)	-	28.27
	346.32	387.32

15 Other current assets (unsecured, considered good)

a. Advance to related parties (refer note 40)	8.80	-
b. Advance to suppliers	2,580.37	2,425.68
c. Advance to employees	66.16	105.45
d. Prepaid expenses	3,822.72	3,116.79
e. Recoverable from government authorities		
i. WCT recoverable	13.65	14.08
ii. VAT Recoverable	1.60	43.72
iii. Duty Drawback receivable	539.47	575.89
iv. Other recoverable from custom authority	253.50	182.09
f. Balance with government authorities		
i. GST recoverable	19,000.36	14,103.88
g. Insurance Claim Receivable (refer note no 55)	5,491.00	-
h. Other advances	7,957.94	2,255.40
	39,735.57	22,822.98

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

16 Equity share capital

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	Rupees in lakhs	Number of shares	Rupees in lakhs
Authorised share capital				
10,00,00,000 equity shares of Rs. 100 each	10,00,00,000	1,00,000	10,00,00,000	1,00,000
Issued, subscribed and fully paid up shares				
8,02,92,390 equity shares of Rs. 100 each, fully paid up with voting rights	8,02,92,390	80,292.39	8,02,92,390	80,292.39
Refer notes (i) to (v) below				

Footnotes:

- (i) **Restriction of rights:**
The Company has issued only one class of equity shares having par value of Rs. 100 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) **Reconciliation of the number of shares and amount outstanding at the beginning and at end of the reporting year:**

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	Rupees in lakhs	Number of shares	Rupees in lakhs
Equity shares with voting rights				
Opening balance	8,02,92,390	80,292.39	8,02,92,390	80,292.39
Issued during the year	-	-	-	-
Closing balance	8,02,92,390	80,292.39	8,02,92,390	80,292.39

(iii) **Details of shares held by the holding company and its subsidiaries**

Name of Shareholders	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares		Number of shares	
Equity shares with voting rights				
Daikin Industries Limited, Japan, the holding company	8,02,92,389		8,02,92,389	
Daikin Airconditioning (Singapore) Pte. Ltd., subsidiary of the holding company	1		1	

(iv) **Details of shares held by each shareholder holding more than 5% shares**

Name of shareholder	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	% Holding	Number of shares	% Holding
Equity shares with voting rights				
Daikin Industries Limited, Japan	8,02,92,389	99.999%	8,02,92,389	99.999%

(v) **Details of shares held by promoter/promoter group***

Name of the promoter/promoter group*	As at 31 March 2022		
	Number of shares	% Of total shares	% Action during the year
Daikin Industries Limited, Japan	8,02,92,389	99.999%	0%
Daikin Airconditioning (Singapore) Pte. Ltd.*	1	0.001%	0%
Total	8,02,92,390	100.00%	0%
Name of the promoter/promoter group*	As at 31 March 2021		
	Number of shares	% Of total shares	% Action during the year
Daikin Industries Limited, Japan	8,02,92,389	99.999%	0%
Daikin Airconditioning (Singapore) Pte. Ltd.*	1	0.001%	0%
Total	8,02,92,390	100.00%	0%

17 Other equity

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	(Rupees in Lakhs)		(Rupees in Lakhs)	
Particulars				
Balance at beginning of the year	88,971.68		73,770.56	
Profit for the year	22,830.63		14,982.17	
Other comprehensive income/(loss) net of income tax	68.01		218.95	
Balance at end of the year	1,11,870.32		88,971.68	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

	As at	
	31 March, 2022 (Rupees in Lakhs)	31 March, 2021 (Rupees in Lakhs)
18 Lease Liabilities		
The following is the break up of Non Current and Current Lease liabilities as at March 31, 2022 and March 31, 2021:		
a. Long term maturities of finance lease obligations	2,771.52	2,254.71
b. Current maturities of finance lease obligations	3,193.48	1,919.06
	5,965.00	4,173.77

Footnotes:

- i. The movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021:

Particulars	Year ended	
	31 March, 2022 (Rupees in Lakhs)	31 March, 2021 (Rupees in Lakhs)
Balance at beginning of the year	4,173.77	7,075.06
Add: Additions	5,919.58	3,810.17
Add: Finance cost accrued during the period	530.34	349.26
Less: Deletions	4.97	2,333.08
Less: Payment of lease liabilities	4,653.72	4,727.64
Balance at end of the year	5,965.00	4,173.77

- ii. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- iii. Rental expense for short-term leases for current year is Rs. 1,235.91 Lakhs (Previous year Rs. 1,491.85 Lakhs)

	As at	
	31 March, 2022 (Rupees in Lakhs)	31 March, 2021 (Rupees in Lakhs)
19 Other non current financial liabilities (unsecured) (Measured at amortised cost)		
a. Dealer deposits	1,416.48	1,351.65
	1,416.48	1,351.65
20 Non-current provisions		
a. Provision for employee benefits		
- Provision for gratuity (net) (refer note 39)	201.22	43.76
- Provision for compensated absences	1,182.44	1,065.30
b. Other provisions		
- Provision for warranty (refer note 42)	6,124.67	5,508.95
- Provision for E waste management (refer note 48)	10,507.47	7,346.84
	18,015.80	13,964.85
21 Other non-current liabilities		
a. Unearned revenue - AMC income	189.90	257.39
b. Deferred government grant (Refer note (i) below)	488.53	494.35
	678.43	751.74

Footnotes:

- i. The deferred government grant arises as a result of the benefit received from the investment made in the setting up of a manufacturing plant in earlier years and amortised over the lease term of the land.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

	As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
22 Trade payables		
a. Total outstanding dues of micro enterprises and small enterprises (Refer note 44)	8,931.75	7,357.18
b. Total outstanding dues of creditors other than micro enterprises and small enterprises*	<u>76,518.34</u>	<u>72,719.54</u>
	<u>85,450.09</u>	<u>80,076.72</u>

*refer note 40 for related party balances.

Footnotes:

(i) **Trade payables ageing schedule for the year ended as on March 31, 2022:**

Particulars	Outstanding for following periods from due date of payment					(Rupees in Lakhs)
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	8,877.44	53.49	0.82	-	-	8,931.75
Others	25,882.58	25,567.34	5.76	11.59	36.74	51,504.01
Total	34,760.02	25,620.83	6.58	11.59	36.74	60,435.76
Accrued Expenses						25,014.33
Total						85,450.09

Trade payables ageing schedule for the year ended as on March 31, 2021:

Particulars	Outstanding for following periods from due date of payment					(Rupees in Lakhs)
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	7,340.55	16.63	-	-	-	7,357.18
Others	25,915.48	20,370.03	31.75	0.74	41.33	46,359.33
Total	33,256.03	20,386.66	31.75	0.74	41.33	53,716.51
Accrued Expenses						26,360.21
Total						80,076.72

(ii) **Relationship with struck off companies:**

Name of Struck off Companies	Relationship with the Struck off company	Transactions during the year March 31, 2022	Balance outstanding as at March 31, 2022
VMMount Air Tech Private Limited	Vendor	28.45	0.56
Scanstar Inspection Technology Private Limited	Vendor	-	0.07
E2E Solutions Private Limited	Customer	0.24	-
Sahithya Commercials Private Limited	Customer	4.51	-
Name of Struck off Companies	Relationship with the Struck off company	Transactions during the year March 31, 2021	Balance outstanding as at March 31, 2021
VMMount Air Tech Private Limited	Vendor	19.47	(0.15)
Scanstar Inspection Technology Private Limited	Vendor	0.35	(0.35)
Unique Refrigeration Private Limited	Customer	0.01	-
E2E Solutions Private Limited	Customer	2.78	-

As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
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23 Other current financial liabilities

a. Payables for Capital Goods (refer note 40 for related party balance)	637.32	-
b. Derivative financial instruments designated at fair value through profit or loss (Net) (refer Note 38.8)	1.20	-
	<u>638.52</u>	<u>-</u>

24 Provisions

a. Provision for employee benefits	113.58	169.50
i. Provision for compensated absences	-	-
b. Other provisions	3,317.42	3,015.69
i. Provision for warranty (refer note 42)	977.24	281.06
ii. Provision for E waste management (refer note 48)	<u>4,408.24</u>	<u>3,466.25</u>

25 Other current liabilities

a. Unearned revenue - AMC income	7,475.55	6,743.96
b. Advances from customers (refer Note 40 for related party balances)	28,757.38	20,353.18
c. Deferred revenue arising from government grant	5.82	5.82
d. Deferred service revenue	1,261.55	1,117.38
e. Other payables	5,454.87	4,943.97
i. GST Payable	3,828.18	3,392.51
ii. Employees	2,600.00	-
iii. Advance against Insurance Claim (refer Note No 55)	1,279.54	971.26
iv. Statutory remittances	628.42	961.73
v. Others	<u>51,291.31</u>	<u>38,489.81</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

	As at 31 March, 2022 (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
26 Deferred tax balances (net)		
a. Deferred tax assets	8,651.22	3,590.33
b. Deferred tax liabilities	(4,350.20)	(2,058.50)
	<u>4,301.02</u>	<u>1,531.83</u>

2021-22

Deferred tax assets/(liabilities) in relation to:

	As at 1 April, 2021 (Rupees in Lakhs)	Recognised in profit & loss (Rupees in Lakhs)	As at 31 March, 2022 (Rupees in Lakhs)
Property plant and equipment and Intangible Assets	(2,058.50)	(2,291.70)	(4,350.20)
Provision for doubtful debts and advances	160.89	(110.69)	50.20
Provision for Warranty and e-waste expenses	2,615.71	2,651.15	5,266.86
Lease Liabilities	-	1,501.88	1,501.88
Provision for employee benefits	307.03	19.15	326.18
Other liabilities	506.70	999.40	1,506.10
	<u>1,531.83</u>	<u>2,769.19</u>	<u>4,301.02</u>

2020-21

Deferred tax assets/(liabilities) in relation to:

	As at 1 April, 2020 (Rupees in Lakhs)	Recognised in profit & loss (Rupees in Lakhs)	As at 31 March, 2021 (Rupees in Lakhs)
Property plant and equipment and Intangible Assets	(1,317.56)	(740.94)	(2,058.50)
Provision for doubtful debts and advances	204.05	(43.16)	160.89
Provision for Warranty and e-waste expenses	1,937.25	678.46	2,615.71
Provision for employee benefits	455.48	(148.45)	307.03
Other liabilities	550.84	(44.14)	506.70
	<u>1,830.06</u>	<u>(298.24)</u>	<u>1,531.83</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

	Year ended 31 March, 2022 (Rupees in Lakhs)	Year ended 31 March, 2021 (Rupees in Lakhs)
27 Revenue from operations		
Revenue from contracts with customers :		
i. Sale of products	4,34,912.01	3,09,159.13
ii. Sale of services	31,152.12	25,810.22
	4,66,064.13	3,34,969.35
Other operating Income:		
i. Commission income (Net)	(4.45)	50.71
ii. Duty Drawback Income	465.71	409.07
iii. Sale of scrap	1,514.59	1,073.62
	1,975.85	1,533.40
Total Revenue from Operations	4,68,039.98	3,36,502.75

Notes:-

i. Reconciliation of Revenue from operations with contract price

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Contract price	6,10,465.93	4,47,770.21
Less:-		
Sales returns	2,471.62	2,916.32
Commission and Incentives	7,504.38	8,374.07
Discount & Rebates	1,32,449.95	99,977.07
Total Revenue from operation	4,68,039.98	3,36,502.75

28 Other income

a.	Interest income earned on financial assets that are not designated as at fair value through profit or loss account		
	i. Bank deposits	2,470.01	1,676.54
	ii. Other financial assets carried at amortised cost	26.96	33.05
	iii. Loan to Related Party (refer Note 40)	63.00	-
b.	Other non-operating income		
	i. Revenue arising from government grant	5.82	5.82
	ii. Insurance claims received	99.54	82.37
	iii. Liabilities/provisions no longer required written back	151.85	189.39
	iv. Interest on income tax refunds	305.43	41.76
	v. Provision for doubtful debts and other receivables (Net)	446.26	166.65
	v. Miscellaneous income	115.99	75.13
c.	Other gains and losses		
	i. Foreign exchange fluctuation (Net)	-	8.36
		3,684.86	2,279.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

		Year ended 31 March, 2022 (Rupees in Lakhs)	Year ended 31 March, 2021 (Rupees in Lakhs)
29	Change in inventories of finished goods, stock-in-trade and work-in-progress		
a.	Inventories at the end of the year		
	- Finished goods	51,456.29	39,688.70
	- Work-in-progress	1,836.90	1,615.41
	- Stock-in-trade	8,394.76	8,711.55
	- Stores and spares	9,358.25	10,447.39
		<hr/> 71,046.20	<hr/> 60,463.05
b.	Inventories at the beginning of the year		
	- Finished goods	39,688.70	59,103.48
	- Work-in-progress	1,615.41	2,099.85
	- Stock-in-trade	8,711.55	10,612.42
	- Stores and spares	10,447.39	12,090.49
		<hr/> 60,463.05	<hr/> 83,906.24
		(10,583.15)	23,443.19
30	Employee benefits expense		
a.	Salaries and wages	26,647.90	20,897.27
b.	Contribution to provident and other funds (refer note 39)	1,118.35	1,112.44
c.	Staff welfare expenses	1,197.51	767.49
		<hr/> 28,963.76	<hr/> 22,777.20
31	Finance costs		
a.	Interest costs on		
	- Loans	-	5.53
	- Consumer finance	2,324.58	2,022.95
	- On delayed payment of income tax	27.42	135.95
	- On delayed payment of Custom Duty	7.24	21.51
	- On Leases	530.34	349.26
	- Others	1.92	16.22
		<hr/> 2,891.50	<hr/> 2,551.42
b.	Bank charges	17.37	21.93
		<hr/> 2,908.87	<hr/> 2,573.35
32	Depreciation and amortisation expense		
a.	Depreciation of property, plant and equipment (refer note 4.1)	8,824.61	8,935.09
b.	Depreciation of Right of use assets (refer note 4.3)	4,241.73	4,213.93
c.	Amortisation of intangible assets (refer note 4.4)	323.55	341.88
		<hr/> 13,389.89	<hr/> 13,490.90

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

	Year ended 31 March, 2022 (Rupees in Lakhs)	Year ended 31 March, 2021 (Rupees in Lakhs)
33 Other expenses		
a. Power and fuel	1,545.93	1,216.52
b. Rent expense	1,235.91	1,491.85
c. Repairs and maintenance		
(i) Plant & machinery	257.96	194.42
(ii) Others	2,152.30	1,730.06
d. Insurance	941.58	987.75
e. Rates and taxes	174.15	76.64
f. Communication	361.71	263.79
g. Travelling and conveyance	1,014.48	476.15
h. Sales commission	81.71	90.23
i. Publicity and sales promotion	6,378.15	5,601.92
j. Warranty expense (net) (refer note 42)	3,086.74	3,754.54
k. Freight and forwarding	12,432.28	9,621.34
l. Service expenses	17,157.52	12,300.68
m. Royalty (refer note 40)	1,673.79	1,242.42
n. Expenditure on CSR (refer note 36)	579.46	572.06
o. Legal and professional expenses (refer note 35)	1,910.77	1,634.97
p. Loss on sale of property, plant and equipment (net)	1.66	0.66
q. E waste expenditure (refer note 48)	4,468.89	2,966.30
r. Foreign exchange fluctuation (Net)	46.55	-
s. Loss on early termination of lease	-	3.62
t. Loss due to fire (refer note no 55)	651.11	-
u. Miscellaneous expenses	2,516.43	2,621.54
	58,669.08	46,847.46
34 Income taxes		
(a) Income tax expense in the statement of profit and loss comprises:-		
Current tax	11,610.96	7,748.34
Deferred tax	(2,769.19)	298.24
Total income tax expense	8,841.77	8,046.58
(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate.		
Profit before tax	31,672.40	23,028.75
Statutory income tax rate	25.17%	25.17%
Income-tax expense at statutory income tax rate	7,971.94	5,796.34
Effect of non-deductible expenses	3,150.59	1,479.87
Adjustment of tax relating to earlier periods	488.43	472.13
Deferred Tax Created/(Reversal)	(2,769.19)	298.24
Total income tax expense	8,841.77	8,046.58
35 Payment to auditors (excluding GST):		
Legal and professional expenses include auditors remuneration as follows:		
a) To Statutory auditor		
- Statutory audit fees	17.50	17.50
- Statutory audit fee consolidation	2.50	2.50
- Tax Audit	4.50	4.50
- Other services/Certifications	6.15	4.35
- Reimbursement of expenses	2.49	2.00
b) To Cost auditor for cost audit	2.75	2.75
c) To Branch Auditor (refer note 52)	0.66	0.67
	36.55	34.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

36 Expenditure incurred for corporate social responsibility (CSR)

Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, requires that the Board of Directors of every eligible Company, shall ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The details of CSR expenditure as certified by the management is as follows:

Particulars	Year ended	Year ended
	31 March, 2022	31 March, 2021
	(Rupees in Lakhs)	
a) Amount required to be spent by the Company during the year	577.16	572.06
b) Amount of expenditure incurred on:		
i. Construction/acquisition of any asset	-	-
ii. On purposes other than (i) above	579.46	572.06
c) Shortfall/(Excess) at the end of the year	(2.30)	-
d) Total of Previous years shortfall	-	-
e) Reason for shortfall	NA	
f) Nature of CSR Activities	Education, Skilling, Employment, Entrepreneurship and Eradication of hunger	
g) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	Nil	

37 Contingent liabilities and commitments

a. Contingent liabilities

Particulars	(Rupees in Lakhs)	
	As at	As at
	31 March, 2022	31 March, 2021
i. Claims against the Company not acknowledged as debt*		
GST		
a) Telengana SGST Act, 2017 for demand raised for additional tax	46.76	-
	46.76	-
Sales tax		
a) Gujarat VAT ACT, 2003 for additional demand against inter-state billings	1.69	1.69
b) Tamil Nadu Sales Tax Act, 2006 for penalty for short levy of sales tax and additional demand on WCT billing	4.55	4.55
c) Tamil Nadu VAT Act, 2006 for failure to surrender transit pass at the time of stock transfer from Tamil Nadu	133.19	133.19
d) West Bengal VAT Act, 2003 for demand raised on account of assessment	-	34.35
e) Uttar Pradesh VAT Act, 2008 for demand raised for free replacement given under AMC	140.77	140.77
f) Mumbai VAT Act, 2002 for demand raised for additional tax	166.40	106.48
g) Mumbai VAT Act, 2002 and CST Act, 1957 for non-submission of Form C and I	21.13	17.45
h) Bihar Value Added Tax, 2005 for demand raised against entry tax, road Permit under assessment	79.94	42.55
i) Mumbai CST Act, 2002, Demand against C form	17.36	17.36
j) Kerala VAT act, 2003 for demand raised on account of assessment	13.79	13.79
k) Uttar Pradesh CST Act, 2008 for non submission of Form C, I and F	11.83	13.77
l) Gujarat Value Added Tax, 2003 for demand raised against disallowances	3.87	3.87
m) Gujarat Value Added Tax, 2003 for demand against Form I	-	1.78
n) Kerala Value Added Tax, 2003 for demand on Assessment	3.06	3.06
o) Uttar Pradesh VAT Act, 2008 for demand against Rejection of Sales Return	-	0.72
	597.58	535.38
Service tax		
a) Service tax Act, 1994 for demand against business auxiliary service on commission received	277.38	277.38
	277.38	277.38

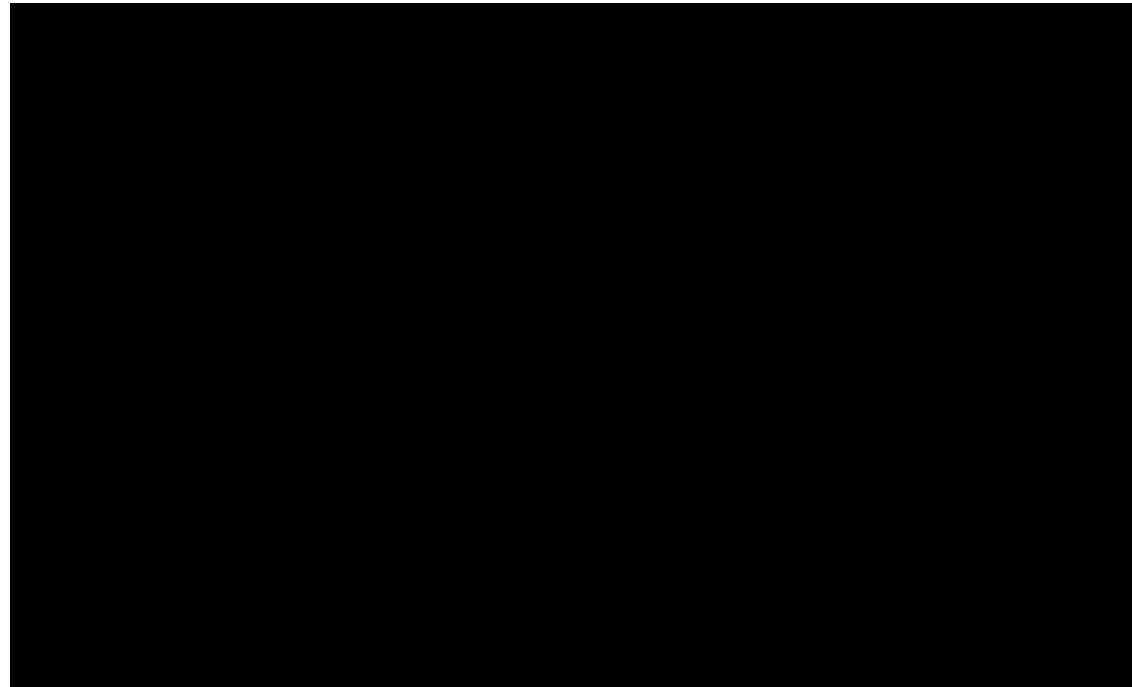
Particulars	(Rupees in Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Income tax		
a) Assessment pending against various Demands raised by the department for disallowances of expenses/deductions claimed by the Company.	3,234.37	197.67
	3,234.37	197.67
Customs		
a) Demand against customs tariff classification of air conditioner performing dual functions of heating and cooling	584.43	584.43
b) Demand against customs tariff classification of separately classifying indoor and outdoor units of air conditioner	241.34	241.34
c) Demand against customs tariff classification of ceiling mounted air conditioners	2.80	2.80
d) Demand on grounds of weight of imported air conditioners	4.47	4.47
	833.04	833.04
	4,989.13	1,843.47

*No provision has been made in the accounts for the matters set out above. In the opinion of the management the proceedings when concluded, will not have a material effect on the result of operations or financial position of the Company. (Also refer Note 2.13)

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

- ii. Guarantees given by banks on behalf of the company 5,802.09 3,155.84
- iii. Letter of Comfort The Company has given letter of comfort to bank for reverse factoring transaction facility amounting to Rs. 1500 Lakhs to its wholly owned subsidiary Citizen Industries Pvt Ltd. (Formerly Known as Citizen Industries Ltd.). As per the terms of letter of comfort , there is no legal obligation/effect on the Company and is solely a recommendation. Company ensures its subsidiary's management and affairs are properly conducted and it is in position to meet its obligation.
- iv. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (As at 31st March 2021 Rs. Nil).
- v. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company (As at 31st March 2021 Rs. Nil).

b. Commitments Particulars	(Rupees in Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
i. Estimated amount (excluding taxes) of contracts remaining to be executed on capital account (net of capital advances) and not provided for	31,281.45	4,779.51
The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase/sale of services, employee's benefits. The Company does not have any long term commitments or material non-cancellable contractual commitments/ contracts, which might have material impact on the financial statements.		



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

38 Financial instruments (refer note 2.23)

38.1 Capital management

Daikin Airconditioning India Pvt Ltd is a subsidiary of Daikin Industries Limited, which has invested in the form of equity shares. The management reviews the capital requirements of the Company on a regular basis and also for long-term strategic future expansions, as part of this review, the management considers the cost of capital and the risks associated with the capital. The capital structure of the Company consists of net debt and the total equity of the Company. The Company is not subject to any externally imposed capital requirements.

The gearing ratio at end of the reporting period was as follows:

	(Rupees in Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Debt (i)	-	-
Cash and cash equivalents (note 11)	-	-
Net debt (In excess of cash and cash equivalent)	1,92,162.71	1,69,264.07
Total equity	0.00%	0.00%
Net debt to equity ratio		

(i) Debt is defined as long-term borrowings and current maturities of long-term borrowings.

38.2 Categories of financial instruments

	(Rupees in Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Financial assets		
a. Measured at amortised cost*		
(i) Trade receivables	25,057.28	17,650.31
(ii) Cash and cash equivalents	80,590.14	1,14,196.74
(iii) Other Balances with Banks	4,200.00	-
(iv) Loans	1,800.00	-
(v) Others financial assets - non-current	428.10	608.81
(vi) Others financial assets - current	346.32	359.05
b. Measured at fair value through profit or loss		
(i) Derivative financial instruments designated at fair value through profit or loss	28.27	-
	1,12,421.84	1,32,843.18
Financial Liabilities		
a. Measured at amortised cost		
(i) Trade payables	85,450.09	80,076.72
(ii) Lease liabilities	5,965.00	4,173.77
(iii) Other financial liabilities - non-current	1,416.48	1,351.65
(iv) Other financial liabilities - current	637.32	-
b. Measured at fair value through profit or loss		
(i) Derivative financial instruments designated at fair value through profit or loss	1.20	-
	93,470.09	85,602.14

Carrying amounts of trade receivables, cash and cash equivalents, other balances with banks, loans, trade payables, other financial assets and other financial liabilities as at March 31, 2022 and 2021, approximate the fair value due to their nature. Carrying amounts of other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.

* The above disclosure does not include investment in subsidiary which was carried at cost and hence are not required to be disclosed as per IND-AS 107 "Financial Instruments Disclosures".

38.3 Financial risk management objectives

The company's activities expose it to variety of financial risks: market risk, credit risk, interest rate risk, foreign exchange risk and liquidity risk. The Company monitors and manages risks relating to the operations through various internal risk reports which analyse exposures by degree and magnitude of risks.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-financial derivative financial instruments, and the investment of excess liquidity. The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

38.4 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Currency	(Amount in Lakhs)			
	As at 31 March, 2022		As at 31 March, 2021	
	Foreign currency	Rupees	Foreign currency	Rupees
Receivables (net of advances)	USD	116.90	8,858.98	79.96
	LKR	6.12	1.61	-
EEFC/ FC account	USD	56.70	4,296.54	13.70
	LKR	33.83	8.88	19.17
	KSH	27.83	18.39	2.33
Payables (net of advances)	USD	383.87	29,090.30	326.95
	JPY	233.09	144.85	589.82
	EURO	11.24	946.70	12.32
	KSH	87.41	57.75	-
	LKR	-	-	27.25
				9.99

38.4.1 Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change to the foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where Rupees strengthens 10% against the relevant currency. For a 10% weakening of the Rupees against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	(Rupees in Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Impact on profit or loss for the year on strengthening of Rupees against USD by 10%	(1,593.48)	(1,705.58)
Impact on profit or loss for the year on weakening of Rupees against USD by 10%	1,593.48	1,705.58
Impact on profit or loss for the year on strengthening of Rupees against JPY by 10%	(14.49)	(38.99)
Impact on profit or loss for the year on weakening of Rupees against JPY by 10%	14.49	38.99
Impact on profit or loss for the year on strengthening of Rupees against EURO by 10%	(94.67)	(105.63)
Impact on profit or loss for the year on weakening of Rupees against EURO by 10%	94.67	105.63
Impact on profit or loss for the year on strengthening of Rupees against LKR by 10%	1.05	(0.30)
Impact on profit or loss for the year on weakening of Rupees against LKR by 10%	(1.05)	0.30
Impact on profit or loss for the year on strengthening of Rupees against KSH by 10%	(3.94)	0.16
Impact on profit or loss for the year on weakening of Rupees against KSH by 10%	3.94	(0.16)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

38.4.2 Forward foreign exchange contracts (Refer note 2.25)

The Company's business objective includes safe-guarding its earnings against any adverse price movements in foreign exchange. Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit which allows for Cash Flow hedges. Hedging instruments include forwards and options. It is the policy of the Company to hedge at least 50% of the foreign currency payments through forwards and options. The table below shows the position of hedging instruments as on the balance sheet date:

Derivatives	Currency	Buy/ Sell	(Amount in Lakhs)		
			As at 31 March, 2022	As at 31 March, 2021	Cross currency
Forward	USD	Buy	80.00	90.00	Rupees
Option	USD	Buy	-	-	Rupees

38.5 Interest rate risk management

The Company's exposure to interest rate risk relates to the borrowed funds and bank balances. The Company does not have any bank loans outstanding at the year end and thus, the Management believes that the risk related to variation in interest rate on the bank loan and bank balances is very minimal.

38.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company performs controls to reduce the credit risk extended to the customers.

Trade receivables consists of a large number of customers spread across diverse geographical areas. There is no concentration of credit risk to any counterparty at any time during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

38.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

38.7.1 Liquidity and interest risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Particulars	(Rupees in Lakhs)			
	Less than 1 year	More than 1	Total	Carrying amount
31 March, 2022				
Non-derivative financial liabilities				
Trade payables	85,450.09	-	85,450.09	85,450.09
Other financial liabilities	2,053.80	-	2,053.80	2,053.80
	87,503.89	-	87,503.89	87,503.89
Derivative financial liabilities	1.20	-	1.20	1.20
	87,505.09	-	87,505.09	87,505.09
31 March, 2021				
Non-derivative financial liabilities				
Trade payables	80,076.72	-	80,076.72	80,076.72
Other financial liabilities	1,351.65	-	1,351.65	1,351.65
	81,428.37	-	81,428.37	81,428.37
Derivative financial liabilities	-	-	-	-
	81,428.37	-	81,428.37	81,428.37

The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Market risk is the risk of loss of future earnings, risk of loss due to change in interest rates, fair values or future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments.

38.8 Fair value measurements

This note provides information about how the Company determines fair values of the financial assets and liabilities.

The Company's financial assets and financial liabilities are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial Assets/Liabilities	Fair value as at		Fair value hierarchy*	Valuation technique (s) and key input (s)
	31 March, 2022	31 March, 2021		
Forward contracts	Liabilities Rs. 1.20 Lakhs	Assets Rs. 28.27 Lakhs	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract exchange rates, discount at a rate that reflects the credit risk of various counterparties.

* refer note 2.2

38.9 Market risk

Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables or payables. The company operates a segment of its business in international market and consequently is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

39 Employee benefit plans

39.1 Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contribution which are defined contribution plans, for qualifying employees. The Company recognised Rs. 850.54 lakhs (for the year ended 31 March, 2021: Rs. 793.86 lakhs) for Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

As at 31 March, 2022, contributions of Rs. 201.22 lakhs due in respect of 2021-22 (as at 31 March, 2021: Rs. 43.76 lakhs) reporting period has not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

39.2 Defined benefit plans

Gratuity plan

The Company's contribution towards its gratuity liability being a defined benefit retirement plan is administered through a trust formed by the Company for the benefit of its employees. The Company makes contributions to the trust that in turn makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of 6 months subject to a limit of Rs. 20 lakhs. Vesting occurs upon completion of 5 years of service.

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2022 by Mr. Ritobrata Sarkar, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.

The principal assumptions used for the purposes of the actuarial assumptions were as follows:

	Valuation as at	
	31 March, 2022	31 March, 2021
Discount rate(s)	6.90%	6.60%
Expected rate(s) of salary increase	8.75% p.a.	8.75% p.a.
Average longevity at retirement age for current beneficiaries of the plan (years)	31.90	31.59
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal rate	Upto 30 years: 10% 31-44 Years: 7% Above 44 years: 5%	Upto 30 years: 10% 31-44 Years: 7% Above 44 years: 5%

Amounts recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:

	(Rupees in Lakhs)	
	Year ended	Year ended
	31 March, 2022	31 March, 2021
Current service cost	290.67	320.41
Past service cost - plan amendments	-	-
Net interest expense	1.44	12.94
Components of defined benefit cost recognised in Profit or Loss Account	292.11	333.35
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	(61.50)	(224.96)
Actuarial (gains) / losses arising from changes in discount rate	(10.74)	17.05
Actuarial (gains) / losses arising from experience adjustments	(18.65)	(84.69)
Components of defined benefit (gain)/Loss recognised in other comprehensive income	(90.89)	(292.60)
	201.22	40.75

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	(Rupees in Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Present value of funded defined benefit obligation	2,221.12	1,984.62
Fair value of plan assets	(2,019.90)	(1,940.86)
Funded status	201.22	43.76
Net liability arising from defined benefit obligation	201.22	43.76

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

	(Rupees in Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening defined benefit obligation	1,984.62	1,961.93
Current service cost	290.67	320.41
Past service cost - plan amendments	-	-
Interest cost	127.63	125.73
Remeasurement (gains)/ losses:		
Actuarial (gains) / losses arising from changes in assumptions	(61.50)	(224.96)
Actuarial (gains) / losses arising from experience adjustments	(18.65)	(84.69)
Benefits paid	(101.65)	(113.80)
Closing defined benefit obligation	2,221.12	1,984.62

Movements in the fair value of the plan assets are as follows:

	(Rupees in Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening fair value of plan assets	1,940.86	1,572.71
Interest income	126.19	112.79
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	10.74	(17.05)
Contributions from the employer	43.76	386.21
Assets distributed on settlements	(101.65)	(113.80)
Closing fair value of plan assets	2,019.90	1,940.86

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 0.5% higher (lower), the defined benefit obligation would decrease by Rs. 96.22 lakhs (increase by Rs. 104.17 lakhs) (as at 31 March, 2021: Rs. 89.44 lakhs (increase by Rs. 97.06 lakhs))
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by Rs. 92.69 lakhs (decrease by Rs. 87.63 lakhs) (as at 31 March, 2021: increase by Rs. 86.22 lakhs (decrease by Rs. 81.65 lakhs))
- If the withdrawal rate is 0.5% higher (lower), the defined benefit obligation would decrease by Rs. 111.65 lakhs (increase by Rs. 199.39 lakhs) (as at 31 March, 2021: Rs. 124.70 lakhs (increase by Rs. 226.73 lakhs))

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation as at 31 March, 2022 is 9 years (as at 31 March, 2021: 9 years).

The Company expects to make a contribution of Rs. 201.22 lakhs (as at 31 March, 2021: Rs. 43.76 lakhs) to the defined benefit plans during the next financial year.

The defined benefit obligations shall mature after year ended 31 March, 2022 as follows:

	Amount (Rupees in Lakhs)
Year ended 31 March, 2023	159.53
Year ended 31 March, 2024	240.38
Year ended 31 March, 2025	247.94
Year ended 31 March, 2026	266.87
Year ended 31 March, 2027	282.73
Year ended 31 March, 2028 to March 31, 2032	1,988.14

Notes:

1. The discount rate is based on the market yields of Indian Government bonds as at the balance sheet date for the estimated term of obligations.
2. The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.
3. The estimate of future salary increases considered takes into account the inflation, seniority, promotion, increments and other relevant factors.

40 Related party disclosures

I. Related party and their relationships

i. Holding Company	:	Daikin Industries Limited, Japan
ii. Wholly Owned Subsidiary	:	Citizen Industries Pvt. Ltd. (formerly known as Citizen Industries Pvt. Ltd.) (w.e.f 01.02.2021)
iii. Fellow Subsidiaries	:	AAF India Pvt. Ltd. AHT Cooling Systems Asia Pacific Pte. Ltd. AHT Cooling Systems Asia Limited Bardia Bardia INC. Daikin Air-conditioning (Shanghai) Co. Ltd. Daikin Airconditioning (Singapore) Pte. Ltd. Daikin Air-Conditioning (Suzhou) Co., Ltd Daikin Airconditioning (Thailand) Ltd. Daikin Airconditioning Mexico Ltd. Daikin Applied America Inc. Daikin Applied Europe SPA Daikin Ar Condicionado Amazonas Ltd Daikin Asia Servicing Pte.Ltd. Singapore. Daikin Compressor Industries Ltd., Thailand Daikin Device (Suzhou) Co., Ltd Daikin Electronic Devices Malaysia Sdn. Bhd. Daikin Europe Coordination Center NV Daikin Holdings Singapore Pte Ltd Daikin Industries (Thailand) Ltd. Daikin Information System Co. Ltd. Japan Daikin Malaysia Sdn. Bhd. Daikin McQuay Ar Condicionado Brasil., Ltda. Daikin Middle East & Africa Fze Daikin Motor (Suzhou) Co. Ltd. China Daikin Refrigeration Malaysia Sdn. Bhd Daikin Research & Development Malaysia Sdn. Bdn. Daikin Trading (Thailand) Ltd. Daikin Trading Ltd., Japan J & E Hall Limited McQuay Air Conditioning & Refrigeration (Suzhou) Co., Ltd. McQuay Air Conditioning & Refrigeration (Wuhan) Co., Ltd. O.Y.L Manufacturing Company Sdn Bhd Shenzhen McQuay Airconditioning Co. Ltd., China Zanotti Spa Zhuhai Gree Daikin Precision Mold Co. Ltd, China

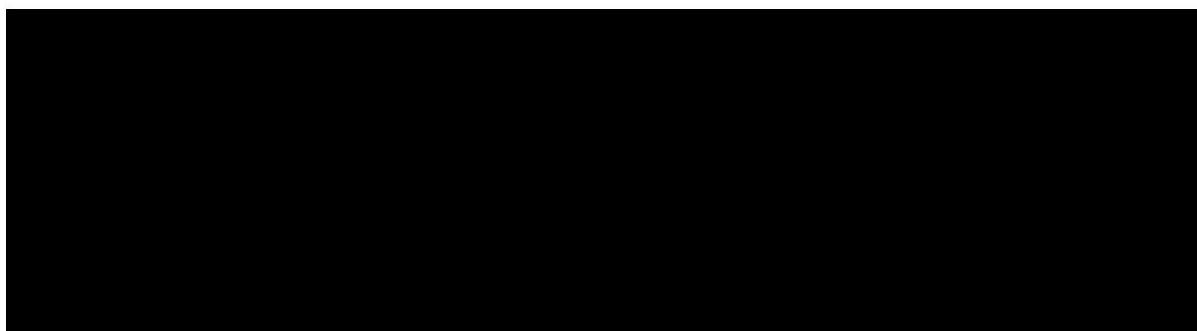
Key Management Personnel

iv. Whole Time Directors of the Company	:	Mr. Kanwal Jeet Jawa Mr. Hiroaki Suenaga (resigned on 15.12.2020) Mr. Sanjay Goyal Mr. Kuldeepak Virmani Mr. Toshiharu Tsurumaru Mr. Takeshi Shinsakae
v. Director	:	Mr. Kaoru Engauchi
vi. Additional Director	:	Mr. Sudip Bhattacharyya (w.e.f 24.11.2020) Mr. Akira Naqamori (w.e.f. 08.06.2021) Mr. Yoshihiro Mineno (w.e.f. 09.07.2021)

II. Transactions with related parties during the year

(Rupees in Lakhs)

Particulars	Holding Company	Wholly Owned Subsidiaries	Fellow Subsidiaries	Key Management Personnel	Total
i. Purchase of raw material					
Daikin Industries Limited, Japan	22.37 (3.05)	- (-)	- (-)	- (-)	22.37 (3.05)
Daikin Compressor Industries Ltd., Thailand	- (-)	- (-)	29,284.06 (14,845.96)	- (-)	29,284.06 (14,845.96)
Daikin Trading (Thailand) Ltd.	- (-)	- (-)	15,345.30 (7,663.53)	- (-)	15,345.30 (7,663.53)
Daikin Air-conditioning (Shanghai) Co. Ltd.	- (-)	- (-)	6,612.91 (3,367.44)	- (-)	6,612.91 (3,367.44)
Others	- (-)	- (-)	15,234.58 (7,568.00)	- (-)	15,234.58 (7,568.00)
Total	22.37 (3.05)	- (-)	66,476.85 (33,444.93)	- (-)	66,499.22 (33,447.98)



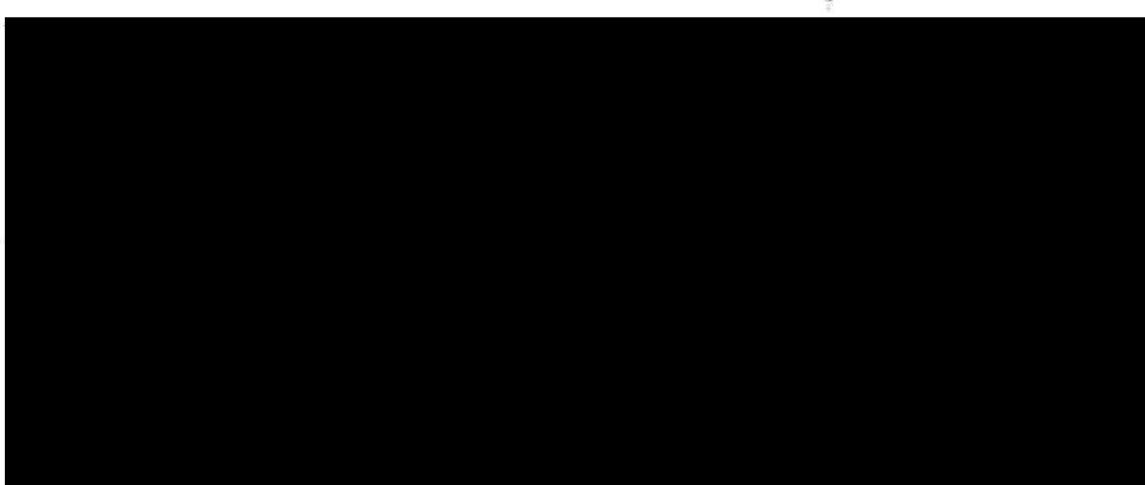
Particulars	Holding Company	Wholly Owned Subsidiaries	Fellow Subsidiaries	Key Management Personnel	Total
(Rupees in Lakhs)					
ii. Purchase of finished goods & Spares					
Daikin Industries Limited, Japan	1,454.77 (1,805.22)	~ (-)	~ (-)	~ (-)	1,454.77 (1,805.22)
Citizen Industries Pvt. Ltd.	~ (-)	367.55 (107.83)	~ (-)	~ (-)	367.55 (107.83)
Daikin Industries (Thailand) Ltd.	~ (-)	~ (-)	5,573.97 (3,691.10)	~ (-)	5,573.97 (3,691.10)
Daikin Malaysia Sdn. Bhd.	~ (-)	~ (-)	3,121.19 (2,358.27)	~ (-)	3,121.19 (2,358.27)
Daikin Air-conditioning (Shanghai) Co. Ltd.	~ (-)	~ (-)	2,322.46 (1,846.94)	~ (-)	2,322.46 (1,846.94)
Daikin Applied Europe (McQuay Italy S.P.A)	~ (-)	~ (-)	1,927.66 (2,047.94)	~ (-)	1,927.66 (2,047.94)
J & E Hall Limited	~ (-)	~ (-)	1,124.21 (1,593.48)	~ (-)	1,124.21 (1,593.48)
Others	~ (-)	~ (-)	4,384.99 (2,838.24)	~ (-)	4,384.99 (2,838.24)
Total	1,454.77 (1,805.22)	367.55 (107.83)	18,454.48 (14,375.97)	~ (-)	20,276.80 (16,289.02)
iii. Purchase of Capital Goods					
AAF India Pvt Ltd.	~ (-)	~ (-)	19.98 (-)	~ (-)	19.98 (-)
Zhuhai Gree Daikin Precision Mold Co. Ltd, China	~ (-)	~ (-)	770.42 (677.31)	~ (-)	770.42 (677.31)
Total	~ (-)	~ (-)	790.40 (677.31)	~ (-)	790.40 (677.31)
iv. Legal and professional expenses					
Daikin Industries Limited, Japan	276.74 (169.57)	~ (-)	~ (-)	~ (-)	276.74 (169.57)
Daikin Information System Co. Ltd, Japan	~ (-)	~ (-)	27.66 (40.46)	~ (-)	27.66 (40.46)
Daikin Industries (Thailand) Ltd.	~ (-)	~ (-)	31.69 (-)	~ (-)	31.69 (-)
Total	276.74 (169.57)	~ (-)	59.35 (-)	~ (-)	336.09 (236.57)
v. Repairs and maintenance - Others					
Daikin Industries Limited, Japan	237.19 (258.70)	~ (-)	~ (-)	~ (-)	237.19 (258.70)
Total	237.19 (258.70)	~ (-)	~ (-)	~ (-)	237.19 (258.70)
vi. Royalty expense					
Daikin Industries Limited, Japan	1,528.02 (1,096.54)	~ (-)	~ (-)	~ (-)	1,528.02 (1,096.54)
McQuay Air Conditioning & Refrigeration (Wuhan) Co., Ltd.	~ (-)	~ (-)	103.19 (129.78)	~ (-)	103.19 (129.78)
Daikin Air-conditioning (Shanghai) Co.,Ltd.	~ (-)	~ (-)	16.25 (10.78)	~ (-)	16.25 (10.78)
Shenzhen Mcquay Airconditioning Co.Ltd., China	~ (-)	~ (-)	26.33 (5.32)	~ (-)	26.33 (5.32)
Total	1,528.02 (1,096.54)	~ (-)	145.77 (145.88)	~ (-)	1,673.79 (1,242.42)

Particulars	Holding Company	Wholly Owned Subsidiaries	Fellow Subsidiaries	Key Management Personnel	Total	(Rupees in Lakhs)
vii. Salaries and wages						
Daikin Industries Limited, Japan	1,728.56 (1,522.35)	- (-)	- (-)	- (-)	- (-)	1,728.56 (1,522.35)
Total	1,728.56 (1,522.35)	- (-)	- (-)	- (-)	- (-)	1,728.56 (1,522.35)
viii. Travelling and conveyance						
Daikin Industries Limited, Japan	11.24 (-)	- (-)	- (-)	- (-)	- (-)	11.24 (-)
Total	11.24 (-)	- (-)	- (-)	- (-)	- (-)	11.24 (-)
ix. Miscellaneous expenses						
Daikin Industries Limited, Japan	242.31 (374.83)	- (-)	- (-)	- (-)	- (-)	242.31 (374.83)
Citizen Industries Pvt. Ltd.	- (-)	1.89 (-)	- (-)	- (-)	- (-)	1.89 (-)
Daikin Applied America Inc.	- (-)	- (-)	- (15.29)	- (-)	- (-)	- (15.29)
Daikin Compressor Industries Ltd., Thailand	- (-)	- (-)	- (19.24)	- (-)	- (-)	- (19.24)
Daikin Refrigeration Malaysia Sdn.Bhd	- (-)	- (-)	8.77 (19.72)	- (-)	- (-)	8.77 (19.72)
Daikin Research & Development Malaysia Sdn.Bhd.	- (-)	- (-)	- (31.23)	- (-)	- (-)	- (31.23)
Others	- (-)	- (-)	9.65 (7.51)	- (-)	- (-)	9.65 (7.51)
Total	242.31 (374.83)	1.89 (-)	18.42 (92.99)	- (-)	- (-)	262.62 (467.82)
x. Additions in Capital Work in Progress						
Daikin Industries Limited, Japan	46.24 (-)	- (-)	- (-)	- (-)	- (-)	46.24 (-)
AAF India Pvt. Ltd.	- (-)	- (-)	1.24 (-)	- (-)	- (-)	1.24 (-)
Total	46.24 (-)	- (-)	1.24 (-)	- (-)	- (-)	47.48 (-)
xi. Reimbursement paid for other expenses						
Daikin Industries Limited, Japan	7.82 (6.80)	- (-)	- (-)	- (-)	- (-)	7.82 (6.80)
McQuay Air Conditioning & Refrigeration (Wuhan) Co. Ltd.	- (-)	- (-)	- (3.47)	- (-)	- (-)	- (3.47)
Daikin Industries (Thailand) Ltd.	- (-)	- (-)	10.86 (4.69)	- (-)	- (-)	10.86 (4.69)
Others	- (-)	- (-)	- (0.57)	- (-)	25.27 (3.24)	25.27 (3.81)
Total	7.82 (6.80)	- (-)	10.86 (8.73)	25.27 (3.24)	43.95 (18.77)	
xii. Managerial Remuneration						
Compensation to key management personnel of the company						
Short Term employees benefits	- (-)	- (-)	- (-)	- (-)	1,684.66 (1,429.15)	1,684.66 (1,429.15)
Other Long Term Benefits	- (-)	- (-)	- (-)	- (-)	67.42 (59.91)	67.42 (59.91)
Total	- (-)	- (-)	- (-)	- (-)	1,752.08 (1,489.06)	1,752.08 (1,489.06)

(Rupees in Lakhs)

Particulars	Holding Company	Wholly Owned Subsidiaries	Fellow Subsidiaries	Key Management Personnel	Total
xiii. Sales & Services					
Daikin Industries Limited, Japan	549.49 (812.84)	- (-)	- (-)	- (-)	549.49 (812.84)
Citizen Industries Pvt. Ltd.		26.62 (-)	(-)	(-)	26.62 (-)
Daikin Middle East & Africa FZE	- (-)	- (-)	21,972.62 (7,999.80)	- (-)	21,972.62 (7,999.80)
Others	- (-)	- (-)	1,284.15 (1,305.60)	- (0.71)	1,284.15 (1,306.31)
Total	549.49 (812.84)	26.62 (-)	23,256.77 (9,305.40)	- (0.71)	23,832.88 (10,118.95)
xiv. Commission income*					
OYL Manufacturing Company Sdn Bhd	- (-)	- (-)	(58.04)	- (-)	- (58.04)
Daikin Applied Europe SPA	- (-)	- (-)	9.51 (52.97)	- (-)	9.51 (52.97)
Daikin Refrigeration Malaysia Sdn Bhd	- (-)	- (-)	6.38 (15.40)	- (-)	6.38 (15.40)
Others	- (-)	- (-)	- (-)	- (-)	- (-)
Total	- (-)	- (-)	15.89 (126.41)	- (-)	15.89 (126.41)
*Excluding Accruals/Reversals					
xv. Other Income					
Daikin Industries Limited, Japan	1.62 (2.32)	- (-)	- (-)	- (-)	1.62 (2.32)
AAF India Pvt. Ltd.	- (-)	- (-)	7.20 (6.02)	- (-)	7.20 (6.02)
Total	1.62 (2.32)	- (-)	7.20 (6.02)	- (-)	8.82 (8.34)
xvi. Reimbursement received for Sales Promotion & Advertisement Expense					
Daikin Industries Limited, Japan	- (6.96)	- (-)	- (-)	- (-)	- (6.96)
Total	- (6.96)	- (-)	- (-)	- (-)	- (6.96)
xvii. Reimbursement received for other expenses					
Daikin Industries Limited, Japan	90.98 (60.31)	- (-)	- (-)	- (-)	90.98 (60.31)
Daikin Industries (Thailand) Ltd.	- (-)	- (-)	30.32 (61.29)	- (-)	30.32 (61.29)
Daikin Middle East & Africa FZE	- (-)	- (-)	38.28 (125.42)	- (-)	38.28 (125.42)
Others	- (-)	- (-)	- (0.56)	- (-)	- (0.56)
Total	90.98 (60.31)	- (-)	68.60 (187.27)	- (-)	159.58 (247.58)
xviii. Investment in Subsidiaries					
Citizen Industries Pvt. Ltd.	- (-)	- (8,721.95)	- (-)	- (-)	- (8,721.95)
Total	- (-)	- (8,721.95)	- (-)	- (-)	- (8,721.95)
xix. Others (Prepaid Expenses)					
Daikin Industries Limited, Japan	- (60.37)	- (-)	- (-)	- (-)	- (60.37)
Others	- (-)	- (-)	- (-)	- (-)	- (-)
Total	- (60.37)	- (-)	- (-)	- (-)	- (60.37)

Particulars	Holding Company	Wholly Owned Subsidiaries	Fellow Subsidiaries	Key Management Personnel	Total	(Rupees in Lakhs)
xx. Loan to Subsidiary (Net of Repayment)						
Citizen Industries Pvt. Ltd.	-	1,800.00	-	-	1,800.00	
Total	-	1,800.00	-	-	1,800.00	(-)
xxi. Interest on Loan to Subsidiary						
Citizen Industries Pvt. Ltd.	-	63.00	-	-	63.00	
Total	-	63.00	-	-	63.00	(-)
III. Related party balance as at 31st March, 2022						
Particulars	Relationship		As at 31 March, 2022	As at 31 March, 2021		
i. Investment						
Citizen Industries Pvt. Ltd.	Wholly owned Subsidiary		8,721.95	8,721.95		
Total			8,721.95	8,721.95		
ii. Other Non-Current Assets (Refer note no 8a)						
Zhuhai Gree Daikin Precision Mold Co. Ltd, China	Fellow subsidiary		-	179.54		
Total			-	179.54		
iii. Trade Receivables						
Daikin Industries Limited, Japan	Holding Company		157.10	126.29		
Citizen Industries Pvt. Ltd.	Wholly Owned Subsidiary		26.65	-		
Daikin Middle East & Africa Fze	Fellow subsidiary		8,270.29	1,904.55		
Daikin Mcquay Ar Condicionado Brasil. Ltd.	Fellow subsidiary		1.40	42.98		
Daikin Airconditioning (Singapore) Pte. Ltd.	Fellow subsidiary		42.00	42.89		
Daikin Ar Condicionado Amazonas Ltd	Fellow subsidiary		185.72	146.72		
Baridi Baridi INC.	Fellow subsidiary		101.57	25.14		
Others	Fellow subsidiary		93.59	83.10		
Total			8,878.32	2,371.67		
iv. Loans						
Citizen Industries Pvt. Ltd.	Wholly Owned Subsidiary		1,800.00	-		
Total			1,800.00	-		
v. Other Current Financial Assets (Refer note no 14c)						
Citizen Industries Pvt. Ltd.	Wholly Owned Subsidiary		17.98	-		
Total			17.98	-		
vi. Other Current Assets (Refer note no 15a)						
Kanwal Jeet Jawa	Whole Time Director		0.44	7.51		
Saniay Goyal	Whole Time Director		0.14	-		
Toshiharu Tsurumaru	Whole Time Director		2.21	1.38		
Kuldeepak Virmani	Whole Time Director		1.71	1.32		
Takeshi Shinsakae	Whole Time Director		-	0.54		
Akira Nagamori	Additional Director		4.30	-		
Total			8.80	10.75		



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Particulars	Relationship	As at 31 March, 2022	As at 31 March, 2021
vii. Equity Share Capital			
Daikin Industries Limited, Japan	Holding Company	80,292.39	80,292.39
Daikin Airconditioning (Singapore) Pte. Ltd.*	Fellow subsidiary	-	-
Total		80,292.39	80,292.39
* 1 No.of share having face value Rs 100 of the company			
viii. Trade Payables			
Daikin Industries Limited, Japan	Holding Company	2,257.72	1,033.24
Citizen Industries Pvt. Ltd.	Wholly Owned Subsidiary	120.08	137.31
Daikin Industries (Thailand) Ltd.	Fellow subsidiary	539.56	1,137.89
Daikin Malaysia Sdn. Bhd.	Fellow subsidiary	0.23	598.19
Daikin Compressor Industries Ltd., Thailand	Fellow subsidiary	3,933.21	4,260.52
Daikin Trading (Thailand) Ltd.	Fellow subsidiary	1,987.72	1,166.15
Daikin Applied America Inc.	Fellow subsidiary	6.99	489.11
Daikin Applied Europe SPA	Fellow subsidiary	638.85	702.16
Daikin Refrigeration Malaysia Sdn.Bhd	Fellow subsidiary	124.80	368.46
Daikin Trading Ltd.,Japan	Fellow subsidiary	903.58	331.37
J & E Hall Limited	Fellow subsidiary	220.56	339.19
McQuay Air Conditioning & Refrigeration (Suzhou) Co., Ltd.	Fellow subsidiary	635.43	880.40
McQuay Air Conditioning & Refrigeration (Wuhan) Co., Ltd.	Fellow subsidiary	577.34	174.72
Shenzhen Mcquay Airconditioning Co.Ltd., China	Fellow subsidiary	156.78	223.62
Daikin Motor (Suzhou) Co. Ltd. China	Fellow subsidiary	340.60	26.25
Daikin Electronic Devices Malaysia Sdn. Bhd.	Fellow subsidiary	525.67	92.26
Daikin Air-conditioning (Shanghai) Co.,Ltd.	Fellow subsidiary	879.06	936.40
Others	Fellow subsidiary	981.79	186.58
Total		14,829.97	13,083.82
ix. Other Current Financial Liabilities (Refer note no 23a)			
AAF India Pvt. Ltd.	Fellow subsidiary	1.24	-
Zhuhai Gree Daikin Precision Mold Co. Ltd, China	Fellow subsidiary	0.11	-
Total		1.35	-
x. Other Current Liabilities (Refer note no 25b)			
Daikin Holdings Singapore Pte Ltd	Fellow subsidiary	0.16	-
Daikin Refrigeration Malaysia Sdn.Bhd	Fellow subsidiary	3.32	3.20
Total		3.48	3.20
xi. Guarantee from Daikin Industries Ltd,Japan for Credit facility availed and outstanding			
The company has been sanctioned credit facilities from various banks against letter of awareness/ guarantee provided by Daikin Industries Limited, Japan amounting to Rs 83,000 Lakhs (Previous Year also Rs 93,000 Lakhs). During Current Financial Year, the company has availed credit facility amounting to Rs.Nil (Previous Year Rs. 2750 Lakhs). Further, these credit facilities availed by the company has been squared off in the same Financial Year.			
xii. Letter of Comfort for Reverse Factoring Transaction Facility for Citizen Industries Pvt. Ltd.			
The company has given letter of comfort to bank for reverse factoring transaction facility amounting to Rs. 1500 Lakhs (Previous year Rs. Nil) out of which of Rs 548.87 Lakhs (Previous year Nil) was outstanding at the year end.,			

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

41 Earnings per share*

	Particulars	Unit	Year ended 31 March, 2022	Year ended 31 March, 2021
a)	Profit for the year attributable to owners of the Company	Rupees in Lakhs	22,830.63	14,982.17
b)	Weighted average number of equity shares used in the calculation of earnings per share	Nos.	802,923.90	802,923.90
c)	Nominal value of equity shares	Rupees	100	100
d)	Basic and diluted earnings per share	Rupees	28.43	18.66

* There are no dilutive potential equity shares as at 31 March, 2022 and 31 March, 2021.

42 Provision for warranty

The Company warrants that its products will perform in all material respects in accordance with the Company's standard specifications in force at the time of delivery of the products to the customers for the warranty period. Accordingly, based on average warranty claims in the previous years, the Company has provided for the expected warranty claims. The provision details are as under:

Particulars	(Rupees in Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening balance	8,524.64	6,818.67
Provisions recognised during the year	3,086.74	3,754.54
Provisions utilised during the year	(2,169.29)	(2,048.57)
Closing balance	9,442.09	8,524.64

43 Analytical Ratios

Particulars	Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	Variance	Reason of Variance
Current Ratio (in times)	Current assets	Current Liabilities	1.91	1.97	-3.05%	
Debt Service Coverage Ratio (in times)	Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	Interest+Scheduled Principal Repayments of Long Term Borrowings and Leases	7.02	8.14	-13.76%	
Return on equity (ROE) (in %)	Net Profits after taxes	Average Shareholders Equity	12.63%	9.27%	36.25%	Increase in return of equity (ROE) are on account of increase in turnover and net profit
Inventory turnover Ratio (in times)	Revenue from operations	Average Inventory				Increase in inventory turnover ratio are on account of increase in turnover and Inventory level due to ease in COVID restrictions.
Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	21.92	15.99	37.09%	Increase in trade receivable turnover ratio are on account of increase in turnover
Trade payables turnover ratio (in times)	Cost of Goods Sold + Other Expenses	Average Trade Payables	4.92	3.66	34.43%	Increase in trade payable turnover ratio are on account of increase in purchase
Net capital turnover ratio (in times)	Revenue from Operations	Working Capital	3.56	2.80	27.14%	Increase in Net capital turnover ratio are on account of increase in turnover
Net profit ratio (in %)	Net Profit	Revenue	4.88%	4.45%	9.66%	
Return on capital employed (ROCE) (in %)	Earning Before Interest and taxes	Capital Employed	14.97%	12.47%	20.05%	
Return on Investment (ROI) (in %) (Fixed Income)	Interest Income	Monthly Average investment in Fixed Income investments	3.34%	3.07%	8.79%	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

44 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	(Rupees in Lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	8,931.75	7,357.18
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	33.87	31.95
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	1.92	15.48
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	33.87	31.95
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

45 Research and Development Expenditure

Particulars	Year ended	Year ended
	31 March 2022	31 March 2021
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers (eligible for 100% deduction)		
Revenue Expenditure	4,725.59	3,752.52
Capital Expenditure [Including intangible assets]	551.47	846.37
Less: Scrap Sale	(4.18)	(0.38)
	5,272.88	4,598.51

The company has adopted the new lower corporate income tax rate u/s 115BAA of The Income Tax Act, 1961. Under the new tax rate, corporate benefit of weighted deduction for expenditure on scientific and Industrial research (DSIR) is no longer available to the company.

46 Details of investment made by the company covered u/s 186 (4) of Companies Act,2013 is given in Note no 5.

47 Transfer pricing documentation and Advance Pricing Agreement (APA):

- (i) The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961 for its international transactions and is in the process of establishing such system for specified domestic transactions. Since the law requires such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of international transactions with the associated enterprises and of the specified domestic transactions during the financial year and expects such records to be in existence latest by 30th November, 2022 or within the extension period, if any, granted by the board of directors of the company. The management is of the opinion that all above transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.
- (ii) The Company has entered into an Advance Pricing Arrangement (APA) with the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India on March 28, 2022. The agreement shall apply for consecutive five years commencing from the financial year 2019-20 to financial year 2023-2024.

48 E-waste Management:

As per e-waste (Management) Rules 2016, as amended, the producer of electrical and electronic equipment shall be responsible for collection and channelization of e-waste generated from the 'end-of-life' of their products in line with the targets prescribed in Schedule III in Extended Producer Responsibility. Based on actuarial valuation of the liability related to compliance of the said regulation, the Company has made a provision of Rs. 11,484.71 lakhs in its books of accounts as at March 31,2022 (as at March 31,2021 Rs. 7,627.90 Lakhs) ,which is based on the sale of finished goods by the company in last 10 financial years.

49 Other Statutory Information:

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) 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
- (v) 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
- (vi) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

50 Impact of COVID-19

The Company has evaluated the possible effects that may result from COVID-19 in the preparation of these financial statements including business operations, liquidity position and cash flow. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, the Company has, at the date of approval of the financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The Company will continue to monitor the impact of COVID-19 and any material changes to future economic conditions.

- 51 The company has availed the input tax credit under GST law based on the invoices of the vendor/service providers for the financial year 2021-2022. Since the monthly GST returns i.e.GSTR-1 & GSTR-3B yet to be filed by some of the vendors and service providers resulting in to non-updation of input credit in GSTR-2A/GSTR-2B and hence the final reconciliation of the GST input credit as availed in GSTR-3B and available in GSTR-2A/GSTR-2B for the financial year 2021-22 is pending. In view of this, necessary adjustments for short/ (excess) input tax credit, if any, that would arise post reconciliation of the GSTR-2A/GSTR-2B and GSTR-3B and GSTR-9 will be accounted for in the financial year 2022-23.
- 52 The Company has during the financial year 2019-20 opened its branch office at Nairobi, Kenya. The Branch office accounts have been duly audited by an Independent Firm of Certified Public Accountants in Kenya in accordance with the laws of that country . Audited branch financial statements and the Auditor's report thereon have been received under the proviso of Section 143(8) of the Companies Act, 2013 and the same have been considered in the preparation of the Standalone Financial Statements of the Company.
- 53 The company has acquired 100% equity shares of Citizen Industries Pvt. Ltd. (formerly known as Citizen Industries Ltd.) in the financial year 2020-21, a home grown Air Handling Unit Manufacturer through the share purchase share subscription agreement signed between the company, Citizen Industries Private Limited (formerly known as Citizen Industries Limited) and the sellers on December 15,2020. Citizen Industries Private limited is India's one of the largest manufacturer & distributor of Applied Secondary Equipment and engaged mainly in the business of Air Handling Unit.
- 54 The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette in September 2020. The effective date from which the code and changes therein would become applicable is yet to be notified. Hence, impact of the changes will be assessed and accounted in the year of notification of the relevant provisions.
- 55 On 20th December 2021, there was a major fire at one of the warehouses of the Company located at Neemrana, Rajasthan, wherein no human casualties were reported. Due to this, there was a loss of 100% of the inventory held in the form of Finished Goods in that warehouse. Destroyed inventory was fully covered by a fire policy and the Company has filed an insurance claim of Rs. 6,409.26 Lakhs for the loss occurred. The carrying value of destroyed inventory was Rs 6,142.11 Lakhs (including GST reversals) which has been written off in the Statement of Profit and Loss during the financial year ended March 31, 2022. Management believes that recovery of claims from the insurance company is almost certain and accordingly, recognised Rs. 5,491.00 Lakhs as "insurance claim receivable" in the books as at March 31, 2022 (refer note 15). Further, the company has received an on account payment of Rs. 2,600.00 Lakhs from the insurance company. Pending finalization and approval of the insurance claim, the amount received has been shown as an "advance against insurance claim" in the books as at March 31, 2022 (refer note 25). It has been confirmed by the management that there are no adverse comments about the claim filed and the company has submitted all the desired documents and information with surveyors. The insurance company has commenced the process of selling the salvage. Though the claim is yet to be finalized and approved till the approval of financial statements by the Board of Directors, however the management believes that the company shall get full value of claim after mandatory deduction and salvage value.
- 56 Previous year figures have been regrouped/ reclassified, where necessary, to confirm to current year's classification.

