



IKIO LIGHTING LIMITED

(Formerly known as IKIO LIGHTING Pvt. Ltd.)

(CIN.:U31401DL2016PLC292884)

Regd. Ofce:

411, Arunachal Building,
19 Barakhamba Road,
Cannought Place New Delhi-110001

Corp. Ofce:

D-234, Sector-63,
Noida 201301(U.P.)
India.

Works:

Plot no. 102, Sector 07, IIE,
Sideul Haridwar, 249403,
India.

Date: - 23rd August, 2023

To,
Listing Operation Department,
BSE Limited
20th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001
Scrip Code: - 543923

To,
Listing Compliance Department,
National Stock Exchange of India Limited,
05th Floor, Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051
Symbol: - IKIO

Subject: Annual Report of the Company as per Regulation 34 of the SEBI (LODR) Regulations, 2015

Dear Sir/Ma'am,

In terms of Regulation 34 of the SEBI (LODR) Regulations, 2015, we are forwarding herewith Annual Report for the financial year 2022-23.

This is for your information and record.

**Thanking You,
FOR IKIO Lighting Limited**

Sandeep Kumar Agarwal
Company Secretary & Compliance Officer

Crafting an Innovative Future



ANNUAL REPORT 2022-23



OUR VISION

To be a preferred manufacturing and solutions provider of Lighting, Energy-efficient Products, and Hardware Components in the global marketplace.

OUR MISSION

IKIO Lighting Limited is a firm believer in the proverb “Quality Always Wins”.

We aim to provide quality products and customer experience through innovation, design, focus on customers, and continuous improvements.



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Corporate Overview



CORPORATE OVERVIEW

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CORPORATE OVERVIEW

We are an Indian manufacturer of light emitting diode ("LED") lighting solutions.

We are focused on sustainability and providing low energy LED products to help India meet its sustainability goals.

We are primarily an original design manufacturer ("ODM") and design, develop, manufacture and supply products to customers who then further distribute these products under their own brands.

We also work with our customers to develop, manufacture and supply products that are designed by our Research and Development Team.

Our products are categorised as (i) LED lighting; (ii) refrigeration lights & its electronics (iii) ABS (acrylonitrile butadiene styrene) piping; (iv) Solar system and charge controllers for Recreational Vehicle ("RV") and (v) other products. Our LED lighting offerings focus on the premium segment and include lighting, fittings, fixtures, accessories and components.

We provide lighting solutions (lights, drivers and controls)

to commercial refrigeration equipment suppliers under our refrigeration light segment. We also manufacture solar system and electronics for Recreational Vehicle ("RV") an alternative to polyvinyl chloride ("PVC") piping called ABS piping that is primarily used by our US customers for plumbing applications in the recreational vehicles ("RVs").

In addition, we manufacture and assemble other products including fan regulators light strips, moulding, and other components.

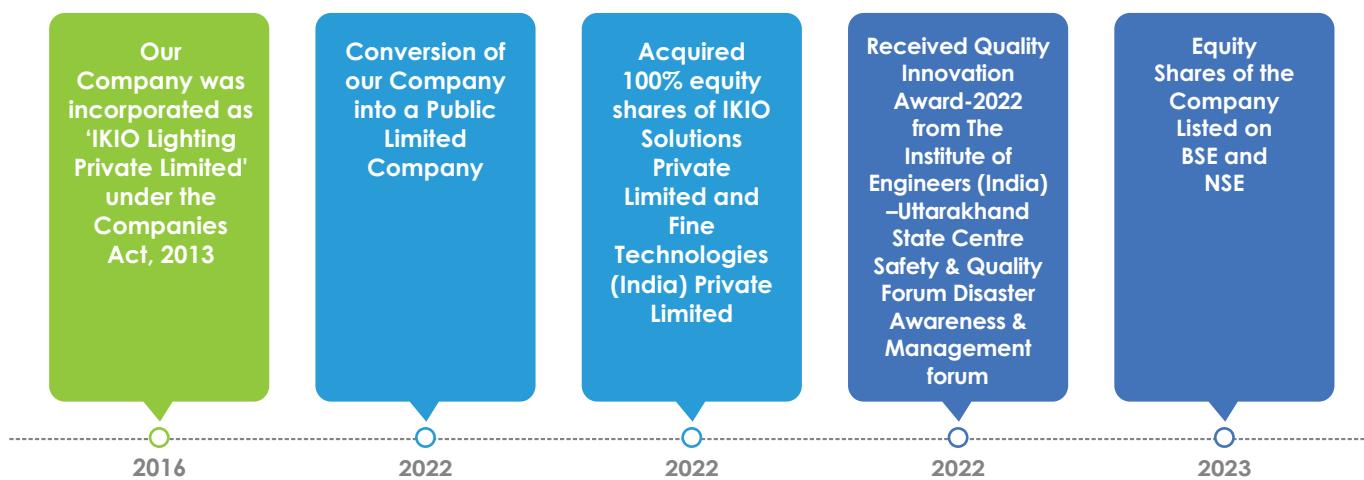
How the Journey Started

The Company was incorporated as '**IKIO Lighting Private Limited**' under the Companies Act, 2013, pursuant to the Certificate of Incorporation issued by the RoC on March 21, 2016.

The name of our Company was subsequently changed to '**IKIO Lighting Limited**', upon conversion into a Public Company, pursuant to a Board Resolution dated January 3, 2022 and a shareholder's resolution dated January 31, 2022.

A fresh certificate of change of name was issued on April 18, 2022 by the RoC.

TIMELINE:



Our Subsidiaries

Direct Subsidiaries

1. Fine Technologies (India) Private Limited

2. IKIO Solutions Private Limited

Step down subsidiaries (wholly owned subsidiaries of Fine Technologies (India) Private Limited)

1. Royalux Exports Private Limited

2. Royalux Lighting Private Limited

Direct Subsidiaries

1. Fine Technologies (India) Private Limited ("FTIPL")

Corporate information: FTIPL was incorporated as a Private Limited Company under the Companies Act, 1956 pursuant to a certificate of incorporation dated February 2, 1999 issued by the RoC. Its CIN is U31101DL1999PTC098179 and currently its registered office is situated at 411, Arunachal Building, 19 Barakhamba Road, Connaught Place, Central Delhi-110001, Delhi, India.

Nature of business: FTIPL is presently engaged in the manufacturing of fan regulators, switches and fixtures of LED lights including powder coating of fixtures of LED lights and has tailored backward integrated plant to design and manufacture of lighting fixtures, Injection moulding, designing of lighting drivers and also ultra-modern powder coating plant.

Capital structure: The authorized share capital of FTIPL is ₹15,00,00,000 comprising of 1,500,000 equity shares of ₹ 10 each and its issued, subscribed, and paid-up equity share capital is ₹2,00,00,000 comprising of 200,000 equity shares of ₹ 10 each.

2. IKIO Solutions Private Limited ("ISPL")

Corporate information: ISPL was incorporated on September 20, 2018 as a Private Limited Company under the Companies Act, 2013 pursuant to a certificate of incorporation dated October 5, 2018 issued by the RoC. Its CIN is U36995UP2018PTC108238. It has its registered office at D 234, Sector-63 Noida, Gautam Buddha Nagar – 201307, Uttar Pradesh India.

Nature of business: ISPL is authorized to be engaged in carrying on the business of and providing consultancy, anywhere in India or abroad, for manufacturing, fabricating, trading, designing, building, installing, buying, selling, importing, and exporting of all types of electronics goods, parts, gadgets, instruments and appliances, LED Lights, LED Fixture, LED Driver and other electronics goods and parts.

Capital structure: The authorized share capital of ISPL is ₹1,00,00,000 comprising of 100,000 equity shares of ₹10 each and its issued, subscribed, and paid-up equity share capital is ₹50,00,000 comprising of 50,000 equity shares of ₹10 each.

Step down subsidiaries

1. Royalux Exports Private Limited ("REPL")

Corporate information: REPL was incorporated as a Private Limited Company under the Companies Act, 2013 pursuant to a Certificate of Incorporation dated December 7, 2021 issued by the RoC. Its CIN is U31909DL2021PTC390952. It has its registered office at 411, Arunachal Building, 19 Barakhamba Road, Connaught Place, Central Delhi-110001, Delhi, India.

Nature of business: REPL was incorporated to take over existing business of Royalux Exports, a proprietorship concern of Mr. Hardeep Singh and to manufacture, produce, sale, service, import, export, maintenance or otherwise deal in LED lights, solar panel and charge controllers, lithium batteries and other related products. Presently, REPL is engaged in manufacturing and export of LED Lights (RV), ABS pipes and solar power solution for recreational vehicle.

Capital structure: The authorized share capital of REPL is ₹100,00,00,000 comprising of 10,00,00,000 equity shares of ₹ 10 each and its issued, subscribed, and paid-up equity share capital is ₹ 90,308,680 comprising of 9,030,868 equity shares of ₹ 10 each.

2. Royalux Lighting Private Limited ("RLPL")

Corporate information: RLPL was originally incorporated as "Royalux Lighting LLP" under the Limited Liability Partnership Act, 2008 pursuant to a Certificate of Incorporation dated September 9, 2014 issued by the RoC. Royalux Lighting LLP was converted into a Private Limited Company under the Companies Act, 2013 pursuant to a Certificate of Incorporation dated March 23, 2022 issued by the RoC and its name changed to Royalux Lighting Private Limited. Its CIN is U31906DL2022PTC395429. It has its registered office at 411, Arunachal Building, 19 Barakhamba Road, Connaught Place, Central Delhi-110001, Delhi, India.

Nature of business: RLPL is presently engaged in the business of manufacturing of refrigerator LED lights and its parts/accessories and other electrical and electronics Components.

Capital structure: The authorized share capital of RLPL is ₹100,00,00,000 comprising of 10,00,00,000 equity shares of ₹ 10 each and its issued, subscribed, and paid-up equity share capital is ₹82,445,000 comprising of 8,244,500 equity shares of ₹ 10 each

Product Portfolio of IKIO Group

Our key LED lighting Products

- Rechargeable Bulbs
- Spotlights
- LED Strip Lights
- Decorative Lights
- Rechargeable Lantern
- LED Driver
- Downlighter Lights
- Linear Lights
- Track Lights
- Recreational Vehicles Lights

We commenced our ABS piping business in Fiscal 2022.

Solar System, ABS piping is an alternative to PVC piping, LED Lighting for RV which consists of pipes made of a thermoplastic resin that have traditionally been used as drainpipes and water supply line due to their shock resistance and strength, as well as their resistance to temperature fluctuations and decay.

We produce ABS piping for customers in this segment as an ODM. Our key customers in ABS Piping are RLux RV LLC who supply to Forest River Inc. (a subsidiary of Berkshire Hathaway).

We commenced our refrigerator LED lighting business in Fiscal 2016. We produce refrigerator LED lighting for customers in this segment as an ODM.

We offer a suite of other products separately as well as in conjunction from our LED, refrigeration and ABS piping products such as our fan regulator and switch products.

We produce fan regulators and switches for customers in this segment under ODM and assembly business models.

Our key customers in this product category are Honeywell, Anchor Panasonic and Le-grand. Additionally, we manufacture and assemble light strips, mouldings and fittings, as well as other component parts that are utilized among our other product offerings.

Our largest customer is Signify Innovations India Limited, erstwhile Philips Electronics India Limited ("Signify (Philips)")

We have a 11 years long relationship with Signify (Philips).

In addition to Signify (Philips), we have a diversified customer base across all our other product segments across industry sectors and geographies which include Western Refrigeration Private Limited, Panasonic Life Solutions India Private Limited and Novateur Electrical & Digital Systems Private Limited.

We have a history of high customer retention. In Fiscal 2022, we derived approximately 93.56% of our consolidated restated revenues from operations from repeat customers (defined as customers from which we have had revenues in the past three fiscal years).



Focus on Innovation

Our R&D department focuses on product designing, tools and mould designing, electronic circuit designing and prototype designing. The R&D department independently develops ODM designs.

The R&D team also aims to provide solutions through automation to improve manufacturing efficiency on the existing products, reduce production costs and assists our customers by providing design and engineering support.

We focus on activities to support our customers including concept sketching, design refinement, generating optional features and testing. This enables us to address our consumers' diverse needs, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering.

In response to the global semiconductor shortage in Fiscal 2021 and Fiscal 2022, our R&D team designed re-engineered solutions to adapt available raw materials and components for use in certain products in order to ensure an uninterrupted supply of products to customers.

Our R&D department has modern equipment and tools available including:

- Cathode rays oscilloscopes;
- SURGE generators;
- HV testers;
- Gonio photometer and integrating spheres;
- Humidity chamber;
- Salt spray chambers;
- Thermal chambers;
- IP tester;
- Drop testers;
- and Vibration testers

Made in India, Made for the World

Our manufacturing operations are a key driver of our business. We have four manufacturing facilities with one located in the SIDCUL Haridwar industrial park in Uttarakhand and three units of subsidiaries and step down subsidiaries are in Noida in the National Capital Region.

In line with our focus to provide end-to-end product solutions and to develop better control on our supply chain and improve our margins, we have backward



integrated our major manufacturing processes. We have developed in-house capabilities so that we manufacture all mechanical components inhouse (save diodes and resistors).

Further, in our manufacturing operations, we aim to adopt the best available environment, health and safety practices and also engage with our suppliers to promote new approaches to reduce our environmental impact.

We maintain an ongoing audit system, including both internal and external audits, designed to help identify and mitigate risks.

We have wastewater and effluent treatment plants in place. Our facilities are ISO 9001:2015 (quality management system), ISO 14001: 2015 (environmental management system) and ISO 45001-2018 (occupational health and safety) certified.



Key Growth Drivers

With a proven operational and financial track record, we are well-positioned to capitalize on opportunities provided by the tailwinds in the LED lighting market driven in part by governmental policies for energy saving and environment protection and importantly, the increasing awareness and adoption of LED lighting versus incandescent lighting.

Further, LED lighting is central to reducing environmental impacts in both the residential, commercial and industrial sectors.

Growth in demand for LED lighting solutions in India will be driven by:

- the rise in smart city projects and overall infrastructure development;
- increasing demand for energy-efficient lighting;
- the decreasing total cost of ownership of advanced lights (including LED lights);
- the pronounced increase in real estate; and
- the increasing use of smart and automation lighting.

Our comprehensive LED lighting offering allows us to offer our customers attractive manufacturing solutions for their products as well as our own product designs as part of our ODM business model.

Our Growth Trajectory

Our number of LED lighting products manufactured has grown by 66.67% from 660 in Fiscal 2020 to 1100 in Fiscal 2023, and we are continuously expanding our portfolio.

Our large LED manufacturing capacity along with our R&D has positioned us to meet the further demand for LED lighting in India.

It is our intention to continue to be an integral part of India's journey toward achieving sustainability across key industry segments.

Manufacturing Edge

We have developed the proficiency to produce many of the components used in our manufacturing processes with our in-house tool room capabilities that have modern machines, moulds and tools. Except for the diodes and resistors used in our LED lighting products, all mechanical components are manufactured by us.

Our manufacturing facilities are equipped with machinery and equipment like assembly lines, automatic surface-mounted machines, automatic metal cutting and shaping machines and automatic powder coating

for fixtures.

In line with our focus to provide end-to-end product solutions and to develop better control on our supply chain and improve our margins, we have backward integrated our major manufacturing processes. We have developed in-house capabilities so that we manufacture all mechanical components inhouse (save diodes and resistors).

Our backward integration includes

- Automatic surface mounted machines for placing diodes and other components on circuit boards;
- Automatic metal cutting and shaping machines;
- Automatic powder coating on fixtures;
- Injection moulding including machines, moulds and tools; and
- LED light assembly lines, manual insertion, checking and final packing.

Leadership

We are led by a qualified and experienced management team that has the expertise and vision to manage and grow our business and promote our sustainability goals.

Our Promoter, Mr. Hardeep Singh, is our Managing Director and Chairperson and has been involved in the business since starting a proprietorship firm in 2012. He has overall experience of more than two decades in manufacturing of electronic components and LED lighting. He has been honoured by Philips with "Game Changer" Award for LED Lighting Production.

Mr. Hardeep Singh has been instrumental in establishing our LED lighting business with Signify (Philips) and expanding our business to a diversified customer base.

Mr. Hardeep Singh is supported by members of our Management Team, our R&D team and our Board of directors, which comprises a mix of homegrown talent and lateral talent from Multinational Companies and firms, possess complementary skills and have extensive experience and knowledge of our business.

We run our business professionally with dedicated senior and mid-level Management teams. Further, we have around 1,600 employees (approx. 50% female employee with gender equality), which adds to our stability and helps foster long-term growth.

Our Management team support has vast experience in Project Execution, Industrial Sales and Marketing. We believe that the knowledge and experience of Mr. Hardeep Singh, along with the Management and team of dedicated personnel, provide us with a

significant competitive advantage as we seek to grow our existing markets and enter new geographic and product markets.

Product Innovation

Based on market intelligence, discussions with our customers and research by our R&D team, we are able to produce new products that have been well-accepted in our target markets.

In the past 12-24 months, we have designed, developed and commenced commercial production and sale of:

- 1. i) ABS pipes:** Our R&D team developed our ABS pipe offerings that comply with the requirements of the U.S. Occupational Safety and Hazard Administration (OSHA), a key requirement for their use in the United States.
- 2. ii) Solar energy solutions:** We are working on a solar energy solution for one of our customers and currently offer solar panels, that can be retrofitted to commercial and recreational trailers to provide electricity.
- 3. iii) Accessories:** In order for our customers to source more of their requirements from us rather than multiple vendors, we are increasing our offering of accessories that can be used in a variety of situations.
- 4. iv) Other products:** We are in the process of

developing, and in some cases in the process of launching, small rechargeable appliances such as rechargeable fans, rechargeable LED lamps as well as rechargeable lithium ion batteries for use in consumer durables.

We are expanding our capacity by constructing 3 manufacturing tower under ~5 lac sq. feet. (Block I of ~2 lac sq. ft., Block II of ~2 lac sq. ft. and Block III of ~1 lac sq. ft.) Over the next 24 to 30 months.

One manufacturing tower's civil construction work in Block I of ~2 lac sq. ft. is nearing completion and the orders for some of the Machinery have been placed and expected to be operationalized by end of Q3 FY24.

We plan to continue expanding our ODM business to new international markets.

We intend to focus our expansion in North American markets and gradually expand to the European and South East Asian markets.

In our opinion, these markets offer us the ability to market our premium LED offerings.

We intend to achieve this expansion by employing dedicated Sales and Marketing teams, whose primary focus will be on Business Development in International Markets, particularly, in our focus geographies.



We will also look and focus markets to establish a local presence, and, in certain markets, we may establish subsidiaries or local offices.

Further, we will also leverage our relationships with marquee customers like Signify (Phillips), Honeywell, Anchor , Panasonic, and Western Refrigeration to showcase the quality of our product offerings and our ability to provide our services globally.

We believe that our current operational set up and financial position will allow us to invest in creating a wider range of product offerings that can cater to the requirements of our new customers.

We aim to continue to invest in our R&D initiatives to develop new products for our ODM customers and to enhance production and cost efficiencies of our customer's product suites.

In addition, we intent to expand our space for our R&D expansion, and we are actively looking to add employees to our R&D team.

Through our focus on R&D and developing products with our customers, we will be able to continually innovate our products in line with the demands of our customers as well as end-user preferences for better comfort, quality, performance and aesthetics in their products.

Further, by developing products with our customers and by offering a broad range of products, we are able to increase customer dependence on us and position ourselves as a preferred supplier.

Sustainability and Planet Positivity

We will continue to focus on sustainability by emphasizing quality, environment, health and safety. We believe that maintaining a high standard of quality for our products is critical to our brand and continued growth.

Across our four manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing and supply chain to product delivery to ensure consistent quality, efficacy and safety of our products.

Our products adhere to global quality standards. Our products and operations go through various quality checks at various stages, including random sampling and quality checks.

Many of our accreditation agencies have audited and approved our facility and manufacturing processes in the past and may undertake similar audits periodically in the future.

We consider the potential impact of our activities on the local environment and have set stringent environmental standards, which meet regulatory requirements.

In that regard, we will continue to emphasize the monitoring of our effluent treatment plant and sewage

treatment plant operations, handling of hazardous waste and disposal and providing employee training on environmental management and compliance.

We have a growing commitment to Environmental Management Systems, Environmental Due Diligence and building Disaster Planning and Response Systems across our manufacturing facilities.

Our equipment and systems are used in various industries and products, including Residential, Industrial and Commercial lighting.

Our comprehensive solution suite includes global sourcing, fabrication of components and parts, captive manufacturing and assembly, quality testing, packaging and logistics support, which enables us to partner with consumer electronics brands in India and internationally.



Supply Chain Management

Our principal raw materials include diodes, resistors, printed circuit boards, semiconductor materials, plastic and polymers, aluminium dye cast and extruded aluminium, various metals, cable connectors and consumables (such as solders, solder paste and cleaning material).

Our business is significantly dependent on our Supply Chain Management.

We have strong Supply Chain relationships both in India and internationally.

We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers under contracts of shorter periods or the open market.

Our suppliers are selected based on quality, price, cost effectiveness, company history, service levels and delivery capability.

We negotiate the price for each purchase order and we generally have more than one supplier for each raw material. The terms and conditions including the terms related to return policy are set forth in the purchase orders.

Arrangements with raw material and packing material suppliers are subject to, among other things, regulatory requirements, various import duties and other government clearances. We do not have any suppliers on an exclusive basis for any raw materials.

The prices of our raw materials are based on, or linked to, the global pricing of such raw materials and components. Volatility in commodity prices can significantly affect our raw material costs. We do not enter into hedging activities for our foreign currency positions.

Any variations in raw materials pricing are generally passed on to the customer. While we endeavour to pass on all raw material price increases to our customers, we may not be able to compensate for or pass on our increased costs to our customers in all cases. If we are not able to compensate for or pass on our increased raw materials costs to our customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

We have in-house planning and inventory control teams that work alongside the Manufacturing team to determine procurement requirements for manufacturing finished products, creating production plans and ensuring the availability of raw materials.

These in-house planning and inventory control teams monitor inventory and finished products against various factors, including capacity.

For this purpose, our Information Technology systems are extensively used. We typically purchase raw materials based on the historical levels of sales, actual sales orders in hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices, and delivery delay.

We transport our finished products by road, sea and air.

Each of our manufacturing facilities is equipped with a warehouse, enabling smooth functioning of our operations.

We keep inventory levels planned based on existing and expected orders, which are confirmed due to our long-

standing relationships with customers. We maintain a lead-time material requirement planning system and utilize our ERP software, SAP (B1), to manage our levels of inventory.

We sell our products on a cost, insurance and freight (CIF) and free on board (FOB) basis. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities.

We do not own any vehicles for the transportation of our products and/or raw materials; we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products.

However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics have the potential to impair our ability to procure raw materials and/or deliver our products on time.

Where we are responsible for shipping the products to our customers, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our freight forwarders coordinate with the shipping line or airline to file and release the necessary bills of lading or air waybills.

Maintaining high standards of quality in our manufacturing, installation, operation and maintenance activities is critical to our growth and success.

We have implemented quality systems across our manufacturing facilities that cover the full product lifecycle from process innovation and R&D, through the stages of process development, manufacturing, sales and supply chain, to the customer evaluation of our products as well as operation and management systems for ensuring consistent quality, efficacy and safety of our products.

Our products undergo a qualification process throughout the entire life cycle from development to manufacturing.

The bill-of-materials, test specifications, test methods and manufacturing processes are all standardized and validated for every product based on historical data and risk assessments. Our quality control programs at our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations for various periods.

Chairman's Statement

Shri Hardeep Singh

Chairman and
Managing Director

Dear Shareholders

It gives me immense pleasure to address all of you for the very first time. After a seven-year journey, IKIO Lighting Limited has started a new chapter as a Publicly Listed Company after successfully completing the Initial Public Offering of Equity Shares of the Company aggregating to ₹6,065 Mn, of which, Fresh Issue consisted of ₹ 3,500 Mn and Offer for Sale by Promoters of ₹2,565 Mn. We are grateful for the overwhelming response with overall subscription by a whopping 67 times and the successful listing of Equity Shares of the Company on the BSE and the NSE in June 2023.

I would like to express my gratitude to all Investors, Business Partners, Clients, Vendors and other Stakeholders for making this momentous occasion possible.

IKIO Lighting is making a mark as a leading original design manufacturer in the fast-growing LED lighting market. Our offerings focus on the premium segment and includes lighting, fittings, fixtures, accessories and components.

We also have significant presence in refrigeration lights, ABS (Acrylonitrile Butadiene Styrene) piping and other products like fan regulators, light strips, moulding, and other components and spares.

A fast-expanding domestic economy coupled with untapped overseas demand are major tailwinds for your Company.

India has shown tremendous resilience, and macroeconomic indicators have started improving gradually since Q3 FY2021.

No wonder India has retained its status as the fastest growing major economy in the world.

Manufacturing is one of the prime focus areas for the government. India has emerged as the second most sought after manufacturing destination across the world indicating the growing interest shown by manufacturers in India as a preferred manufacturing hub over other countries.

Electronics is one of the fastest growing industries in the country. The total electronics market (which includes domestic electronics production and imports of electronic finished goods) in India is valued at INR 9263 billion (USD 124 billion) in Fiscal 2022 and is expected to grow at a CAGR of 17.9% to reach INR 17,902 billion (USD 240 billion) in Fiscal 2026.

Domestic production accounted for approximately 69% of the total Indian electronics market in Fiscal 2022, valued at INR 6,376 billion (USD 86 billion), and is expected to grow at a CAGR of 24.2% to reach INR 15,159 billion (USD 203 billion) in Fiscal 2026, owing to various government initiatives to boost domestic electronics manufacturing industry.

India's demand for electronic items has expanded significantly in recent years and is expected to grow further on the back of supportive factors like increasing penetration of Consumer Electronics, rising Per Capita Income and adoption of Smart Devices.

Supported by the recent government initiatives and changing consumer preference, LED lighting industry has grown significantly over the last decade, primarily driven by energy efficiency regulations, widespread manufacturing, and reduced prices of LED light sources.

In a price sensitive market such as India, LEDs are increasingly being accepted as they rank higher when it comes to energy saving and lifespan when compared to the other alternatives.

Although the Indian LED lighting market is at a relatively

nascent stage, it offers innumerable opportunities for growth over the next few decades.

India is also expected to become more cost competitive on account of its lower labour costs, greater levels of localization, automated processes in manufacturing.

The key growth drivers for the electronics industry in India include:

- Rising investments by local and global players • The China + 1 strategy of major corporations in the aftermath of the Covid-19 pandemic • Localization of Supply Chain
- Emerging technologies like Internet of Things (IoT)
- Robotics and Artificial Intelligence, among various others.

Your Company is uniquely positioned to take advantage of these opportunities and also contribute to the country's economic growth and push towards self-reliance in the Manufacturing Sector.

We have built our business organically and have demonstrated consistent growth in terms of revenues and profitability.

I will not like to repeat the figure which have already been shown in the balance sheet.

The financial metrics not only demonstrate our robust fundamentals but also indicate our aspirations to achieve further growth and fuel the aspirations of a new India.

Our vision is to set a benchmark in the domestic electronics space through relentless focus on optimization of processes, making our Supply Chain more agile and sharpening our Customer-Centric approach.

We intend to achieve the following priorities, which will help us progress on our growth path and create long term value for our shareholder:

- Complete the expansion project in a timely manner that will allow for further efficiencies in our operations as well as financial performance.
- Continue to focus on R&D and develop and launch new product categories as well as expand our product offerings
- Focus our expansion on North American markets and gradually expand to the European and Southeast Asian markets.

We expect demand to continue its growth trajectory and our capacities to continue to be optimally utilized. Our strategic investment in backward integration has not only helped us maintain costs, but also created a consistent quality benchmark.

In closing, we believe that we have created a strong platform that can be deployed for creating immense stakeholder value in the medium to long term.

I would also like to take this opportunity to thank all our employees for their unwavering faith, relentless zeal and passion for excellence.

With the continued support of our Shareholders, Clients, Business Associates and the Government of India, I have no doubt IKIO Lighting will blaze a trail of glory and achieve greater heights in the times to come.

Hardeep Singh
 Chairman and Managing Director

Brief Profile Of Chairman & Managing Director



Hardeep Singh is the Chairman and Managing Director of our Company. He is the founder and one of the Promoters of our Company. He has been associated with our Company since its inception. He has more than two decades of experience in the manufacturing of Electronic components and LED lighting. He has been honoured by Philips with "Game Changer" Award for LED Lighting Production. He oversees the overall functions of our Company and is responsible for overseeing the Strategic Growth Initiatives and Expansion Plans.

Brief Profiles Of the Directors



Surmeet Kaur is the Whole-time Director on our Board and one of the Promoters of our Company. She holds a Bachelor's Degree in Arts (Honours) from University of Delhi. She has been associated with the Company since inception and is responsible for management of Human Resources.

Sanjeet Singh is the Whole-time Director on our Board. He holds a bachelor's Degree in Commerce from University of Delhi. He has been associated with our Company since February 1, 2019. He oversees the overall Operations of the Company.





Chandra Shekhar Verma is an Independent Director of our Company. He holds a Master's Degree in Commerce from University of Rajasthan. He also holds a Bachelor's Degree in Law and Masters in Business Administration from University of Rajasthan. He is a qualified Cost and Management Accountant and Company Secretary. He has been associated with our Company since April 14, 2022 and has years of experience in the Public Sector. He has previously served as Chairman and Managing Director of Steel Authority of India Limited.

Kishor Kumar Sansi is an Independent Director of our Company. He holds a Bachelors' Degree in Science (Honours) from University of Delhi and holds a Master's Degree in Science and a Master's Degree in Philosophy from University of Delhi. He is associated with our Company since April 14, 2022. Prior to joining our Company, he was the Executive Director of Punjab & Sind Bank and the Managing Director and Chief Executive Officer of Vijaya Bank and has years of experience in Public Sector Banks.



Rohit Singhal is an Independent Director of our Company. He holds a bachelors' Degree in Commerce from Delhi University. He is a qualified Chartered Accountant. He has been associated with our Company since April 20, 2022 and has over 13 years of experience as a practicing Chartered accountant.

Key/Senior Management Personnel



Ishween Kaur is the Chief Marketing Officer of Royalux Lighting Private Limited. She holds a Bachelor's Degree in Business Administration from Guru Gobind Singh Indraprastha University. She has been associated with our Company since March 6, 2018. She has over 5 years of experience in Business Administration. She is currently responsible for the Marketing activities in Royalux Lighting Private Limited.

Subhash Chand Agarwal is "Chief Financial Officer" of our Company. He holds a Bachelor's Degree in Science from Agra University. He is a qualified Chartered Accountant and a fellow member of ICAI. He has been associated with our Company since February 15, 2022. He has over 23 years of experience as a Chartered Accountant. Previously, he was working with Yamuna Insutech Private Limited, Seil Sugar Limited, FIL Industries Limited, Qippo Telecom Private Limited, Tower Vision India Private Limited, Essel Green Mobility Limited, Footwear (Klick) India Private Limited and Lars Medicare India Limited. He is currently responsible for Finance and Accounts in the Company.



Sandeep Kumar Agarwal is the "Company Secretary and Compliance Officer" of our Company. He holds a Bachelor's Degree in Science from Chowdhary Charan Singh University. He holds a Master's Degree in Commerce from Chowdhary Charan Singh University. Also, he holds a Master's Degree in Business Administration from U.P. Rajarshi Tandon Open University. He is a qualified Company Secretary. He has been associated with our Company since February 19, 2022. He has over 16 years of experience. Previously, he was working with Geo Enpro Petroleum Limited, Orissa Stevedores Limited and HLS Asia Limited. He is currently responsible for Secretarial and Legal Compliance work in the Company.



Karukathara Peethambaran Prakash is the Plant Head of Rotary & Fixture Division in Fine Technologies(India) Private Limited. He holds a Bachelor's Degree in Arts from Mahatma Gandhi University. He has been associated with our Company since January 7, 1999. He has over 24 years of experience in the field of Production. He is currently responsible for assisting in the overall plant operation of Fine Technologies (India) Private Limited.

Manoj Chetal is the "Plant Head of LED Lighting Division" our Company. He holds a Bachelor's Degree in Electrical Engineering from Birla Institute of Technology and Science. He has been associated with our Company since April 21, 2018. Previously he has worked with Microtek International Private limited from October 2012 to April 2018. He is currently responsible for overall Plant operation of our Company.



Rajat Behal- is "Business Head Export Division" of Royalux Export Private Limited. He holds a Bachelor's Degree in Engineering from University of Pune and Master's in Business Administration from Indira Gandhi Open University. He has been associated with our Company since 2019. He is currently responsible for overall Operations of Export division of Royalux Export Private Limited.



Mr. Pradeep Singhal, a procurement expert with 30 years of strategic sourcing and procurement experience, including Global MNC exposure. Currently serves as the President Operation in Royalux Lighting Private Limited. His career spans renowned brands like Weston, Sony, Hitachi, Bajaj Electricals, and Orient Electric. Proficient in strategic procurement, quality and production management, global sourcing, and team leadership. Accomplished in cost-effective procurement driving profitable growth. Holds a 1992 Batch B.E. in Production and Industrial from Delhi College of Engineering, graduating with Distinction at 80.4%.

Daljit Singh, a professional with over 33 years of experience, currently serves as the General Manager at IKIO SOLUTIONS PRIVATE LIMITED (Unit -II). A graduate of BITS Pilani with a Bachelor of Science & Engineering Technology and a Diploma in Electrical Engineering, he has excelled in diverse manufacturing fields including Ceiling & Non-ceiling fans, Water Heaters, Auto head & Tail lamps, and General lighting lamps & Fixtures. With a strong track record of strategic planning, process improvement, and team leadership, he has consistently driven business growth while maintaining high standards of quality. His expertise is underscored by his commitment to innovation, operational efficiency, and effective team management.



Surinder Pal Singh is "Marketing Head-Refrigeration Lighting Division" of Royalux Lighting Private Limited. He holds a Bachelor's Degree in Commerce from University of Delhi. He has over 7 years of experience and previously he has worked with Inko Technologies, a proprietary concern of our Promoter Hardeep Singh. He has been associated with our Company since 2017. He is currently responsible for Marketing Activities in Royalux Lighting Private Limited.

IKIO SOLUTIONS PRIVATE LIMITED



Praveen Kumar Saini is the Research and Development Head of our Company. He holds a Bachelor's Degree in Engineering & Technology in Electronics and Communication from Gautam Buddha Technical University. He has been associated with our Company since December 17, 2018. He has over 13 years of experience in the field of Research and Development. Previously, he was working with NTL Electronics India Limited, Compact Lamps Private Limited and Dixon Technologies India Limited. He is currently responsible for Research and Development activity in the Company.

NOTICE

Notice is hereby given that the 07th Annual General Meeting ('AGM') of the members of IKIO Lighting Limited (the Company) will be held on Thursday the 14th day of September 2023 at 11:00 A.M through Video Conferencing(VC) / Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31st, 2023:

- (a) To receive, consider and adopt the audited standalone financial statements of the company for the Financial Year ended March 31st , 2023 together with Reports of Directors and Auditors thereon
- (b) To receive, consider and adopt the audited consolidated financial statements of the company for the Financial Year ended March 31 st , 2023 together with Reports of Auditors thereon and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 134 of the Companies Act, 2013 the Standalone & Consolidated Financial Statements containing the Balance Sheet as at March 31st , 2023 and the Profit and Loss Accounts ended on that date, Cash Flow Statements along with the notes and schedules appended thereto and the reports of Auditors and Board of Directors thereon, be and are hereby adopted"

2. Re-Appointment of Director:

To appoint a director in place of Mr. Hardeep Singh (DIN 00118729), who retires by rotation and being eligible, offers himself for re-appointment and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Hardeep Singh (DIN : 00118729), who retires by rotation, and being eligible, offers himself for re-appointment, be and is hereby appointed as Director of the Company.

SPECIAL BUSINESS

3. To Ratify the "ILLEMPLOYEES STOCK OPTIONS SCHEME, 2022"

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT in furtherance of and supplement to the Special Resolution passed in the 6th Annual General Meeting of the Company held on September 16, 2022, pursuant to the Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 ("the Act"), read with applicable rules, circulars, notifications issued thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force), if any, provisions contained in the Memorandum of Association ("MOA") and the Articles of

Association ("AOA") of the company, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 as amended from time to time and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the company (hereinafter referred to as the "Board" which term shall be deemed to include any Board Committee, including the Nomination & Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution read with Regulation 5 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 based on the recommendation of the Nomination & Remuneration Committee, "ILL Employees Stock Option Scheme 2022" ("ESOP 2022"), as approved by the shareholders of the Company in the Annual General Meeting held on September 16, 2022, prior to Initial Public Offering (IPO) of shares of the Company, be and is hereby ratified within the meaning of Regulation 12 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and the consent of the Company be and is hereby accorded to create, grant, offer, issue, vest and allot from time to time, in one or more tranches to the eligible employees of the company, as well as that of the Subsidiaries as defined under the ESOP 2022 and to such other persons as may from time to time be allowed to be eligible for the benefits of the employee stock option plan under applicable laws and regulations prevailing from time to time, under ESOP 2022, as may be decided by the Board, such number of options which shall not exceed 22,50,000 exercisable into equity shares not exceeding 22,50,000 equity share of the company (or such adjusted numbers from any bonus, stock splits, or consolidation or other re-organisation of the capital structure of the Company, as may be applicable, from time to time), subject to such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of applicable laws including the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, the Act and provisions of the ESOP 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make any modifications or revisions to ESOP 2022 as it may deem fit, from time to time, provided that the same is in conformity with the Act, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, as amended, the Memorandum and Articles of Association of the company and any other applicable laws, rules and regulations thereunder.

RESOLVED FURTHER THAT the Board is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOP 2022 and such equity shares shall rank pari passu with all other Shares of same class issued by the company after the date of allotment.

RESOLVED FURTHER THAT Mr. Hardeep Singh, Managing Director of the company and Mr. Sanjeet Singh Whole-time Director of the company be and are hereby severally authorized to finalise, sign and execute any document, deed, agreement, letter or any such writing on behalf of the company and do all such acts deeds and things as may be necessary and/or expedient in the interest of the company in order to give effect to the above resolution."

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. - 3

Pursuant to recommendation of the Board, shareholders of the Company in the 06th Annual General Meeting held on September 16, 2022 had approved the ILL Employees Stock Option Scheme, 2022, ("ESOP 2022"), salient features of which are provided in the latter part of this section.

The aggregate number of options that can be granted under "ESOP 2022" is 22,50,000, each option convertible into one equity share of the Company.

The shareholders of the Company had approved the ESOP 2022 on September 16, 2022, prior to listing of shares of the Company. Accordingly, it is required to get ESOP 2022 ratified by shareholders of the Company under Regulation 12 of SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.

Hence, the ESOP 2022 is referred to shareholders for ratification under Regulation 12 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021. The ESOP 2022 is in conformity with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and the Company has not made any grant of options to employees after listing of shares of the Company.

Details and particulars of the ESOP 2022 as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 are as follows:

Sl. No.	Requirement	Disclosure
a.	The total number of options	22,50,000 (Twenty two Lakhs fifty thousand only)
b.	Identification of classes of employees entitled to participate in ILL Employees Stock Option Scheme, 2022	Present and future, permanent employees of the Company as well as that of the Subsidiaries, who qualify for the issue of Options under the ESOP 2022 and who fulfill the conditions as may be decided by the Nomination & Remuneration Committee (NRC) from time to time.

Sl. No.	Requirement	Disclosure
c.	The appraisal process for determining the eligibility of employees for the ILL Employees Stock Option Scheme, 2022	NRC shall be entitled to make the granting or vesting of any or all of the Options granted to an eligible employee conditional upon the fulfilment of such performance criteria whether of the employee and/or any team or group of which he is a part and/or of the Company, as may be determined by the management from time to time or such other conditions as may be deemed fit by NRC.
d.	The requirements of vesting and period of vesting	The vesting shall commence any time after the expiry of one year from the date of the grant of the Options to the eligible employee and could, as may be determined by the NRC from time to time, extend up to four years from the date of the grant of the Options. The Options could vest in tranches.
e.	The maximum period within which the options shall be vested	Covered in point (d) above

The Company shall comply with the applicable accounting standards as specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.

None of the directors, key managerial personnel, of the Company or the relatives of the aforementioned persons are interested in the said resolution.

IKIO LIGHTING LIMITED

(Sandeep Kumar Agarwal)
Company Secretary &
Compliance Officer
M.No : A66255

Place : Noida

Dated : 04 th August, 2023

Notes:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated December 28, 2022 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 ("the Act") read with rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.
3. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
4. In terms of the provisions of Section 152 of the Act, Mr. Hardeep Singh, Director of the Company, retires by rotation at the Meeting. Further, Mr. Hardeep Singh is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his re-appointment. The relatives of Mr. Hardeep Singh may be deemed to be interested in the resolution set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 2 of the Notice.
5. In compliance with the MCA Circulars and the Securities and Exchange Board of India ("SEBI") Circular dated January 5, 2023, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email address is registered with the Company/ Registrar and Transfer Agent / Depository Participants/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website <https://www.ikio.in/>, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.
6. Pursuant to Regulation 44 of the SEBI Listing Regulations and Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company has provided a facility to its members to cast their votes on resolutions as set forth in the Notice convening the 07th Annual General Meeting to be held on Thursday, September 14, 2023 at 11:00 A.M. (IST), electronically through the e-voting service provided by CDSL. Resolution(s) passed by the Members through e-voting is/ are deemed to have been passed as if they have been passed at the Annual General Meeting. The e-voting facility will commence from 09:00 A.M. (IST) on Monday, September 11, 2023 and ends at 05:00 P.M. (IST) on Wednesday, September 13, 2023. The e-voting module shall be disabled by CDSL for voting thereafter. During this period the members holding shares in dematerialized form, as on the cut-off date for e-voting i.e. Thursday, September 07, 2023 may cast their votes electronically.
7. The notice of Annual General Meeting will be send to the members, whose names appear in the Register of Members/ depositaries as at closing hours of business, on 18th August, 2023.
8. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client ID, irrespective of the number of joint holders.
9. The Company has appointed M/s. Mehak Gupta & Associates, Practicing Company Secretaries (Membership No.FCS 10703, Certificate No.15013) as Scrutinizer for conducting the e-voting process in the fair and transparent manner.
10. The Scrutinizer shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), within 2 working days from the conclusion of the AGM, submit a consolidated Scrutinizer's report of the total votes in favour and against the Resolution(s), invalid votes, if any, and whether the Resolution(s) has/have been carried or not, to the

Chairman or a person authorized by him in writing.

11. The result declared along with the Scrutinizer's Report shall be placed on the Company's website <https://ikio.in> and on the website of CDSL immediately after the result is declared. The company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Ltd., where the securities of the Company are listed.
12. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 14th September, 2023.
13. The Scrutinizer's decision on the validity of e-voting will be final.

Instructions for Voting through electronic mode

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 11th September, 2023 (09 AM) and ends on 13th September, 2023 (5:00 PM). During this period shareholders' of the Company, holding shares in dematerialized form, as on the cut-off date (record date) of 07th September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section.</p>

Type of shareholders	Login Method
	<p>A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- (vi) Next enter the Image Verification as displayed and Click on Login.

- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence No. / Folio No. in the PAN field. • In case the sequence No. / Folio No. is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Pawan Kumar with sequence / Folio No. 1 then enter PA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) Click on the EVSN of "IKIO Lighting Limited" on which you choose to vote.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows Phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Additional facility for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be

able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at mehakgupta.associates@gmail.com and to the Company at the email address viz; secretarial@ikiolighting.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E- VOTING DURING AGM ARE AS UNDER:

- (i) The procedure for attending AGM and e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@ikiolighting.com. The shareholders who do not wish to speak during the AGM but

have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@ikiolighting.com. These queries will be replied to by the company suitably by email.

- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (ix) The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
- (x) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (xi) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

Please update your email id & mobile no. with your respective Depository Participant (DP).

In case you have any queries or issues regarding attending AGM or e-voting from the CDSL e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cDSLindia.com, Phone: 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compound, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cDSLindia.com or call on 1800225533

IKIO LIGHTING LIMITED

(Sandeep Kumar Agarwal)
Company Secretary &
Compliance Officer
 M.No : A66255

Place : Noida
 Dated : 04th August, 2023

Details of Directors proposed to be appointed/re-appointed/continued as Director as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Details of Directors proposed to be appointed/re-appointed/continued as Director as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings.

Name of Director	Mr. Hardeep Singh
DIN	00118729
Date of Birth	24th October, 1959
Date of Appointment	21st March, 2016
Expertise in specific functional Areas	Leadership, Industry Expertise & Knowledge, Strategic Planning, Business Development & Administration.
Experience	More than 2 Decades
List of other companies in which directorship held as on 31.03.2023	1) Fine Technologies (India) Private Limited 2) IKIO Solutions Private Limited 3) Royalux Lighting Private Limited 4) Royalux Export Private Limited 5) Krishna Computech International Private Limited 6) New Line Electrotech Private Limited 7) Raina Metaltech Private Limited 8) East West Softech Private Limited
Chairman /Member of the committee of other Listed entities on which the individual is a director	Nil
No of shares held in the Company as on 04.08.2023	3,29,99,142
Relationship between directors inter-se	Mrs. Surmeet Kaur (Whole-Time Director) – Spouse Mr. Sanjeet Singh (Whole-Time Director) – Son-in-law

Corporate Information

Chief Financial Officer

Mr. Subhash Chand Agrawal

Company Secretary and Compliance Officer

Mr. Sandeep Kumar Agarwal

Statutory Auditors

M/s BGJC & Associates LLP, Chartered Accountants
 Address: Raj Tower, G-1, Alaknanda Community
 Center, New Delhi-110019, India
 Phone No. +91-11-26025140, Email:bgjc@bgjc.in

Stock Exchanges

BSE Limited

20th Floor, Phiroze Jeejeebhoy Towers
 Dalal Street, Mumbai- 400 001

National Stock Exchange of India Limited

05th Floor, Exchange Plaza, C-1, Block G,
 Bandra Kurla Complex, Bandra (E),
 Mumbai – 400051

Registrar and share Transfer Agent

Kfin Technologies Limited

Selenium Building, Tower-B, Plot No 31 & 32,
 Financial District, Nanakramguda, Serilingampally,
 Hyderabad, Rangareddi, Telangana India - 500 032
 Phone: +040-67162222
 Email: einward.ris@k fintech.com

Registered Office

411, Arunachal Building, 19 Barakhamba Road,
 Connaught Place, New Delhi-110001
 CIN: U31401DL2016PLC292884
 Tel. No. +919818559920, Email:
info@ikiolighting.com
 Website: www.ikio.in

Corporate Office

D-234, Sector-63, Noida, UP-201301

Subsidiary/ Step Down Subsidiaries

1. FINE TECHNOLOGIES (INDIA) PRIVATE LIMITED
2. IKIO SOLUTIONS PRIVATE LIMITED
3. ROYALUX EXPORTS PRIVATE LIMITED
4. ROYALUX LIGHTING PRIVATE LIMITED

Main Bankers

HDFC Bank Ltd.

Indusind Bank Ltd.



Directors' Report



Directors Report

- Annual Report on Corporate Social Responsibility
- Form AOC -1
- Form AOC -2
- Secretarial Audit Report
- Management Discussion and Analysis
- Corporate Governance Report

DIRECTORS' REPORT

TO
THE MEMBERS,
IKIO LIGHTING LIMITED

Your Directors take pleasure in presenting the 07th (Seventh) Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2023.

1. Financial Summary or Highlights/ Performance of the Company

Particulars	Rs. in million			
	Standalone		Consolidated*	
	Financial Year ended 31 st March, 2023	31 st March, 2022	Financial Year ended 31 st March, 2023	31 st March, 2022
Revenue from operations	2,413.59	2,198.95	3,587.65	2,198.95
Other income	26.31	8.24	31.67	8.24
Total Income	2,439.90	2,207.19	3,619.32	2,207.19
Profit/Loss Before Depreciation, Finance Cost Exceptional items and Tax Expenses	415.71	409.74	806.48	409.74
Less: Depreciation/ Amortisation/Impairment	29.04	24.47	57.87	24.47
Profit/Loss Before Finance Costs, Exceptional items and Tax Expenses	386.67	385.27	748.61	385.27
Less: Financial Costs	57.35	5.34	90.36	5.34
Profit/Loss Before Exceptional items and Tax Expenses	329.32	379.93	658.25	379.93
Add/(less): Exceptional items	-	-	-	-
Profit/Loss Before Tax	329.32	379.93	658.25	379.93
Less: Taxes (Current & Deferred)	82.90	99.83	157.87	99.83
Profit/Loss for the year	246.42	280.10	500.38	280.10
Total Comprehensive Income for the Year	247.21	281.25	501.88	281.25

*The financial information for the year ended March 31, 2023 contains consolidation of subsidiaries from September 12, 2022 to March 31, 2023 and hence is not representative of a full year of consolidated financial information of the Group and is therefore not comparable to the financial information provided in the Offering Documents of the IPO and hence, the values provided in column of Consolidated financial year ended March 31, 2022 are the standalone values.

2. Dividend

The Board of Directors decided to plough back the earnings to strengthen the financials of the Company and not to recommend dividend for the year under review.

3. Reserves

The Board of Directors of your Company, has decided not to transfer any amount to the Reserves for the year under review.

4. Brief description of the Company's working during the year/State of Company's affairs

During the FY 2022-23, Revenue from Operation of the company on Standalone basis was Rs. 2,413.59 million, against the revenue of Rs. 2,198.95 Million total Profit of the Company on standalone basis was Rs. 247.21 Million, against the Profit of Rs. 281.25 Million during previous year.

Further During the FY 2022-23, audited consolidated revenues stood at Rs. 3,619.32 Million with an EBITDA Margin of 22.3% and a PAT of Rs. 501.88 Million.

Your Directors are putting in their best efforts to improve the performance of the Company.

5. Change in the nature of business

There was no change in the nature of business.

6. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

During the Financial Year 2022-2023, Status of Company has been changed from Private Limited to Limited w.e.f 18.04.2022.

Further, The Company acquired 100 % shareholding of "Fine Technologies (India) Private Limited" and "IKIO Solution Private Limited" directly and "Royalux Export Private Limited" & "Royalux Lighting Private Limited" indirectly (i.e step down subsidiaries) on 12th September, 2022.

After the closure of Financial Year 2022-2023, the Company got Listed on BSE Limited and National Stock Exchange Limited on 16th June 2023.

7. Details of Significant and Material orders passed by the Regulators or Courts or

Tribunals impacting the going concern status and Company's operations in future.

No Significant and Material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

8. Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

The Company has maintained adequate internal financial controls with respect to the Financial Statements. Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of Operational and Strategic goals, compliance with Policies, procedure Applicable Laws and Regulations and that all assets and resources are acquired economically, used efficiently and adequately protected. During the Financial Year, the Company has appointed M/s Shiv Saroj & Associates (Chartered Accountants), bearing membership no – 019715N, as Internal Auditor of the Company for Financial Year 2022-23.

9. Details of Subsidiary/Joint Ventures/ Associate Companies

During the Financial Year 2022-23, the Company has acquired 100% shareholding of "Fine Technologies (India) Private Limited" and "IKIO Solution Private Limited" directly and Shareholding of "Royalux Export Private Limited" & "Royalux Lighting Private Limited" indirectly as they are wholly owned subsidiaries of Fine Technologies (India) Pvt. Ltd.

As per Section 129(3) of Companies Act, 2013, the Consolidated Financial Statements forms part of this report.

10. Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

11. Reports on Management Discussion & Analysis and Corporate Governance

The Management Discussion and Analysis Report and Corporate Governance as required under SEBI Listing Regulations forms part of this Report.

12. Statutory Auditor

In terms of Section 139 of the Companies Act, 2013, M/s BGJC & Associates LLP, Chartered Accountants (Firm Registration No 003304N/N500056) who were appointed as Statutory Auditors of the Company for a period of 5 years in the 5th Annual General Meeting held on 30/11/2021. The Company has received a certificate from the Auditors to the effect that their appointment is in accordance with the provisions of Sec. 141 of Companies Act, 2013.

13. Auditors' Report

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report on the Financial Statements of the Company for the Financial Year ended 31st March, 2023.

14. A) Share Capital

Authorised Share Capital

As on March 31, 2023, Authorised Share Capital of the Company is Rs. 100,00,00,000 (Hundred Crores).

Issued, Subscribed & Fully Paid-up Share Capital

As on March 31, 2023, the Company's issued and paid up capital stands Rs. 65,00,00,000/- divided into 6,50,00,000 fully paid up equity shares of Rs. 10/- each. The Company has issued Initial Public Offer (IPO) and the Company got listed on BSE Limited and National Stock Exchange Limited on 16th June 2023. After Listing of the Company, the issued and paid up Equity Share capital of the Company stands Rs. 77,28,07,010 /- divided into 7,72,80,701 fully paid up equity shares of Rs. 10/- each. As on the date of signing of the Board Report, there is no Change in Capital of the Company Up to the date of the Board meeting held on August 04, 2023, to approve this report.

B) Issue of Equity Shares with Differential Rights/ Buy Back Of Securities/ Issue of sweat equity shares/ Bonus Shares/ Provision of money by company for purchase -of its own shares by employees or by trustees for the benefit of employees

During the FY 2022-23, the Company has issued the Bonus shares in the ratio of 8 Equity Shares for every 5 Equity Shares held as on September 14, 2022.

The Company has issued 4,00,00,000 (Four Crore) Equity Shares as Bonus shares on 17th September, 2022 to the Shareholder as on September 14, 2022.

C) Issue of Employee Stock options

The Company has not issued any shares as Employee Stock Options Scheme during the year under consideration.

15. Extract of the Annual Return

The Annual Return of the Company is available on the website of the Company at <https://ikio.in/annual-return>.

16. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

a.) Conservation of Energy & Technology

Absorption: Every effort is made to save Electricity, water and other resources. Conventional lights have been replaced with LED as per need. Employees are trained to switch off lights and other devices when not in use.

b) Export Activities: The Company is regularly exporting its products mainly to USA market and registration process for exports to some other countries is continued.

c) Foreign Exchange Earnings and Outgo: The Income & Expenditure in foreign exchange (on standalone basis) is as under during the year under review:

Foreign Exchange Earning: Rs. 4.19 Million (previous year Rs. 24.50 Million)

Expenditure in Foreign Currency: Rs.819.60 million (previous year Rs. 828 million)

17. Corporate Social Responsibility (CSR)

Corporate Social Responsibility ('CSR') is a way of conducting business, by which corporate entities visibly contribute to the social good and the welfare of Society at large with an aim to improve quality of life of people. The Company feels that the essence of CSR is to integrate Economic, Environmental and Social objectives with the Company's operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with Society for the common good and demonstrates its commitment by giving back to the Society for the resources it used to flourish by adoption of appropriate business processes and strategies. To give further impetus to this cause, the Company endeavours to manage its operations with an emphasis on Sustainable development to minimize impact on environment and promote inclusive growth.

The details of CSR activities are furnished in CSR-1 as Annexure-I and are attached to this Report.

18. Directors

A) Changes in Directors and Key Managerial Personnel

During the financial year, designation of Mrs. Surmeet Kaur & Mr. Sanjeet Singh has been changed from Director to Whole-Time Director w.e.f 01/06/2022.

Further Mr. Chandra Shekhar Verma & Mr. Kishore Kumar Sansi were appointed as Independent Director(s) w.e.f. 14/04/2022, and Mr. Rohit Singhal was appointed as Independent Director w.e.f. 20/04/2022.

B) Declaration by the Independent Director(s)/ Formal Annual Evaluation

The Company has received the Declaration of Independence from Independent Directors under sub section (6) of Section 149. The Company has received such declaration from Mr. C.S.Verma & Mr. K.K. Sansi on 13th April 2022 and from Mr. Rohit Singhal on 20th April 2022.

19. Meetings

(a) Board Meetings

During the year the Board of Directors met Eleven times. The maximum interval between any two board meetings did not exceed 120 (one hundred and twenty) days. **Date of Board Meeting** - 01/04/2022, 08/04/2022, 13/04/2022, 20/04/2022, 01/06/2022, 22/06/2022, 14/09/2022, 17/09/2022, 29/09/2022, 24/12/2022 and 25/03/2023.

(b) Annual General Meeting (AGM)

Annual General Meeting of the Company for the Financial Year 2021-2022 was held on 16/09/2022

(c) Extra Ordinary General Meeting

Extra Ordinary General Meeting had been convened during the year as on 14/04/2022, 20/04/2022 & 15/06/2022

Committee Meetings

a) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted dated 01st June, 2022 as pursuant to the provisions of Section 135 of the Companies Act, 2013. The Committee comprises of 3 members.

Mr. Hardeep Singh, Mrs. Surmeet Kaur and Mr. Chandra Shekhar Verma are the members of the Committee. Mr. Hardeep Singh is the Chairman of the Committee.

The attendance of members to the meetings of Committee and such other details are as follows:

Date of Meeting	Members who attended the meeting
08/04/2022	Mr. Hardeep Singh Mrs. Surmeet Kaur
25/03/2023	Mr. Hardeep Singh Mrs. Surmeet Kaur Mr. C.S.Verma

b) Audit Committee

The Audit Committee was constituted dated 01st June, 2022 as pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. Committee comprises of three members. Mr. Rohit Singhal (Independent Director) is the Chairman of the Committee. Mr. Kishore Kumar Sansi (Independent Director) & Mr. Hardeep Singh are members of the Audit Committee.

The attendance of members to the meetings of Audit Committee and such other details are as follows:

Date of Meeting	Members who attended the meeting
22/06/2022	Mr. Rohit Singhal Mr. Hardeep Singh Mr. Kishore Kumar Sansi
14/10/2022	Mr. Rohit Singhal Mr. Hardeep Singh Mr. Kishore Kumar Sansi
05/02/2023	Mr. Rohit Singhal Mr. Hardeep Singh Mr. Kishore Kumar Sansi
31/03/2023	Mr. Rohit Singhal Mr. Hardeep Singh Mr. Kishore Kumar Sansi

c) Risk Management Committee

The Risk Management Committee of Directors was constituted dated 01st June, 2022 as pursuant to the provisions of the Companies Act, 2013. The composition of the Risk Management Committee is in conformity with the provisions of the said section. Committee comprises of three members. Mr. Hardeep Singh is the Chairman of the Committee. Mr. Sanjeet Singh and Mr. Kishore Kumar Sansi (Independent Director) are members of the Risk Management Committee.

d) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Directors was constituted dated 01st June, 2022 as pursuant to the provisions of Section 178 of the Companies Act, 2013. The composition of the Nomination and Remuneration Committee is in conformity with the provisions of the said section. Committee comprises of three members. Mr. Kishore Kumar Sansi (Independent Director) is the Chairman of the Committee. Mr. Chandra Shekhar Verma (Independent Director) and Mr. Rohit Singh (Independent Director) are members of the Nomination and Remuneration Committee.

The attendance of members to the meetings of Nomination and Remuneration Committee and such other details are as follows:

Date of Meeting	Members who attended the meeting
25.03.2023	Mr. Kishore Kumar Sansi Mr. C.S Verma Mr. Rohit Singh

e) Stakeholder's Relationship Committee

The Stakeholder's Relationship Committee of Directors was constituted dated 01st June, 2022 as pursuant to the provisions of Section 178 of the Companies Act, 2013. The composition of the Stakeholder's Relationship Committee is in conformity with the provisions of the said section. Committee comprises of three members. Mr. Chandra Shekhar Verma (Independent Director) is the Chairman of the Committee. Mr. Sanjeet Singh, Mrs. Surmeet Kaur are members of the Stakeholder's Relationship Committee.

f) IPO Committee

The IPO Committee was constituted dated 14th September, 2022. Committee comprises of three members. Mr. Hardeep Singh is the Chairman of the Committee, Mr. Rohit Singh (Independent Director) and Mr. Sanjeet Singh are members of the IPO Committee.

g) Independent Director Meeting

Mr. Kishore Kumar Sansi, Mr. C.S Verma & Mr. Rohit Singh are the Independent Directors of the Company. Meeting of Independent Directors was held on 31st March, 2023 which was attended by all the Independent Directors.

Date of Meeting	Members who attended the meeting
31/03/2023	Mr. Kishore Kumar Sansi Mr. C.S Verma Mr. Rohit Singh

20. Particulars of Loans, Guarantees or investments under section 186:

Particulars of Loans given/Investments made/ Guarantees given/Securities provided as per Section 186 of the Companies Act, 2013, along with the purpose for which the Loan or Guarantee or Security is proposed to be utilized by the Company, is provided in financial statements of the Company.

21. Consolidated Financial Statements

Company is required to prepare Consolidated Financial Statements. Performance in financial position of associates is described in this report in form AOC-1 as Annexure-II.

22. Board Evaluation

The Company has devised a formal process for Annual Evaluation of performance of the Board, its Committees and Individual Directors ("Performance Evaluation") which include criteria for Performance Evaluation of Non-executive Directors and Executive Directors as laid down by the Nomination and Remuneration Committee and the Board of Directors of the Company. It covers the areas relevant to the functioning as Independent Directors or other Directors, Members of the Board or Committee of the Board.

23. Related Party Transactions

During the FY 2022-23, Related Party transactions (RPTs) as defined under Section 188 of the Act read with rules made thereunder and the SEBI Listing Regulations, were at arm's length and in ordinary course of business. Pursuant to the provisions of Section 177 of the Act read with Regulation 23 of SEBI Listing Regulations, all transaction with related parties were reviewed and approved by the Audit Committee and were in accordance with the policy on RPTs as formulated by the Company. The RPT policy was revised pursuant to the amendments to the SEBI Listing Regulations and the same has been uploaded on the Company's website at the following link <https://ikio.in/uploads/policy/RelatedPartyTransactionPolicy.pdf>

These transactions are in the ordinary course of business and are on arm's length basis. In view of the above, Form AOC-2 is attached as Annexure-III.

24. Managerial Remuneration:

(A) DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No	Prescribed Requirement	Particulars
1	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Ratio of the remuneration of Mr. Hardeep Singh, Managing Director to the median remuneration of the Employees - 263 : 1 Ratio of the remuneration of Mrs. Surmeet Kaur, Whole Time Director to the median remuneration of the Employees - 125 : 1 Ratio of the remuneration of Mr. Sanjeet Singh, Whole Time Director to the median remuneration of the Employees - 43 : 1 Ratio of the remuneration of Mr. Subhash Chand Agrawal, CFO to the median remuneration of the Employees - 61 : 1 Ratio of the remuneration of Mr. Sandeep Kumar Agarwal, Company Secretary to the median remuneration of the Employees - 25 : 1
2	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	There is no percentage increase in Salary of Directors (including Managing Director, Whole Time Director), CFO & CS (Date of Appointment of CFO-15th February 2022 and CS-19th February 2022)
3	Percentage increase/ (decrease) in the median remuneration of employees in the financial year	6.6
4	Number of permanent employees on the rolls of company	762
5	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the Provision of Section 178 of the Company Act, 2013

Note: During the Financial Year 2022-23 Only sitting fees was paid to Independent Directors .

(B) During the year under review following were the top ten employees in terms of remuneration drawn

i)

S. No	Name / Designation	Age	Qualification & Experience (in Years)	Date of Commencement of Employment in IKIO Lighting Limited	Nature of Employment	Remuneration Received during FY 2022-23 (Rs.)	Last Employer & Designation	% age of Equity share holding	Whether, employee is the relative of other Director(s), if so, name of such Director
1	HARDEEP SINGH Managing Director	64	More than two decades of experience	21/3/2016	Permanent	17,370,000	Promoter of the Company	42.7	Spouse of Mrs. Surmeet Kaur, Whole Time director of the Company
2	SURMEET KAUR Whole Time Director	62	BA (Honors), More than two decades of experience	21/03/2016	Permanent	8,296,000	Promoter of the Company	29.76	Spouse of Mr. Hardeep Singh, Managing Director of the Company
3	K.G. SIJU Operation Head of LED Lighting Division	47	B.Com, 17 Years of Working Experience	01/05/2019	Permanent	3,724,997	INKO Technologies		
4	SUBHASH CHAND AGRAWAL CFO	52	CA, 23 Years of working Experience	15/02/2022	Permanent	4,000,000	LARS Medicare Pvt.Ltd., CFO		
5	MANOJ CHETAL Plant Head of LED Lighting Division	62	B.Tech, has years of experience in Public & Private Companies	30/12/2017	Permanent	2,940,000	Microtech India - Quality Head		
6	SANJEET SINGH Whole Time Director	37	B.Com, as years of experience in Public & Private Companies.	01/02/2019	Permanent	2,809,000	-		Relative of Mr. Hardeep Singh (Managing Directors) and Mrs. Surmeet Kaur (Whole Time Director)
7	PARVEEN KUMAR SAINI R&D Head	37	B.Tech Electronics & Communication, 13 Years	17/12/2018	Permanent	2,199,996	Dixon Technologies (India) Pvt.Ltd, Dy Manager		
8	CHANDAN KUMAR	35	Diploma in tool & Die Making	07/03/2022	Permanent	1,671,218	-		
9	SANDEEP AGARWAL Company Secretary	46	CS, M.Com MBA, More than 16 Years of Working Experience	19/02/2022	Permanent	1,650,000	Orissa Stevedores Ltd. Sr.Manager		
10	PRAVESH GUPTA	43	B.E (electrical) MBA, 20 Years of Working Experience	10/08/2018	Permanent	1,320,000	Compact Lamps Manager		

- ii) Persons employed for the full year ended 31st March 2022 who were in receipt of the remuneration which in the aggregate was not less than ₹1,02,00,000/- p.a

S. No	Employee Name	Designation	Gross Remuneration (Rs.)	Total Experience in Years	Date of Commencement of Employment	Age in Years	Last Employer & Designation Head
1	HARDEEP SINGH	Managing Director	17,370,000	More than two decades	21st March 2016	64	Promoter of the Company

- iii) Persons employed for part of the year ended 31st March, 2022 who were in receipt of the remuneration which in the aggregate was not less than ₹ 8,50,000/- p.m.

S. No	Employee Name	Designation	Gross Remuneration (Rs.)	Total Experience in Years	Date of Commencement of Employment	Age in Years	Last Employer & Designation Head
	NIL	NIL	NIL	NIL	NIL	NIL	NIL

- iv) Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: None

Notes:

Remuneration includes salary, allowances, Company's contribution to provident fund, commission, retirement benefits and monetary value of perquisites. The term remuneration has the meaning assigned to it in the Explanation to Section 198 of the Companies Act, 2013.



25. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company, at its meeting held on March 25, 2023, appointed M/s. Mehak Gupta & Associates, Practicing Company Secretary (COP No. 15013, Membership No. FCS 10703), to undertake Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the Financial Year ended March 31, 2023 is annexed herewith to this Report as Annexure-IV. The Secretarial Audit Report is self-explanatory and do not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

26. Internal Auditor

Pursuant to provisions of Section 138 of the Companies Act, 2013 M/s, Shiv Saroj & Associates (Chartered Accountants), bearing membership no – 019715N, Internal Auditors of the Company have conducted internal audit of the functions and activities of the Company and effectiveness of Internal Control Systems of the Company during Financial Year 2022-23.

27. Cost Audit

The provision of Section 148 of Companies Act, 2013 about appointment of Cost Audit are not applicable to the Company.

28. Risk Management Policy

The company follows well-established and detailed risk assessment and minimization procedures, which are periodically reviewed by the Board. The Company has in place a Business Risk Management Framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

29. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a. in the preparation of the Annual Accounts for the financial year ended 31st March, 2023, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected such Accounting

policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit /loss of the Company for that period;

- c. the Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the Annual Accounts on a going concern basis;
- e. Clause for internal financial control is not Applicable as company was not listed in FY 2022-23;
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. Disclosure Under Sexual Harassment Of Women At Work Place

The Company has in place a Policy for prevention of sexual harassment at the workplace in line with the requirements of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been set up to redress complaints regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints on issues covered by the above act were received during the FY 2022-23.

31. Board's Comment on Auditors' Report

As there was no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report and thus does not call for any further comment.

32. Details of Fraud Report by Auditors

As per Auditors' Report, no fraud u/Sec. 143(2) reported by the Auditors.

33. Subsidiary Companies

As on 31st March, 2023, the Company had four subsidiaries out of which 2 are Direct Subsidiaries and 2 are Indirect Subsidiaries. The name of each of them is given below:

1. Fine Technologies (India) Private Limited (Direct Subsidiary)

2. IKIO Solutions Private Limited (Direct Subsidiary)
3. Royalux Exports Private Limited (Step Down Subsidiaries Subsidiary)
4. Royalux Lighting Private Limited (Step Down Subsidiaries Subsidiary)

34. Secretarial Standards

The Company has complied with all the applicable secretarial standards i.e. SS-1 AND SS-2. (SS-1 for Board Meetings and SS-2 for General Meetings)

35. Details of application made or proceeding pending under Insolvency and Bankruptcy Code, 2016

During the year under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code, 2016.

36. Book Closure and Record Date

The Share Transfer Books and Register of Members of the Company shall remain closed from Friday, the September 08, 2023 to Thursday, the September 14, 2023 (both days inclusive).

37. Details of difference between valuation amount on one time settlement and valuation while availing loan from Banks and Financial Institutions

During the year under review, there has been no one time settlement of loans taken from Banks and Financial Institutions.

38. Vigil Mechanism/Whistle Blower Policy

The Company has established a Vigil Mechanism by adopting a Whistle Blower Policy for all stakeholders including directors, employees etc. to report concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct as well as providing adequate safeguards against the victimization of employees who avail of the mechanism. The Policy is available on the Company's website under the web link

<https://ikio.in/uploads/policy/VigilMechanismPolicy.pdf>. No personnel of the Company have been denied access to the Audit Committee. The Company has not received any complaint during the financial year 2022-23.

39. Dividend Distribution Policy

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board of Directors of the Company had formulated a Dividend Distribution Policy ('the Policy'). The Policy is available on the Company's website <https://ikio.in>.

40. Nomination and Remuneration Policy

The Board, on the recommendation of the Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy is available on the website of the Company <https://ikio.in/>.

41. Annual Return

In accordance with Company Act, 2013, the Annual Return in prescribed format is available at the Website of the Company at <https://ikio.in>.

42. Acknowledgement

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**By Order of the Board
For IKIO Lighting Limited**

Place: Noida
Date: 04-08-2023

Hardeep Singh
Director
DIN-00118729

Surmeet Kaur
Director
DIN-00118695

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company.

The Company has framed a CSR Policy in compliance with the provision of The Companies Act, 2013 and rules made thereunder. The CSR Policy, inter alia, covers the concept (CSR philosophy, snapshot of activities undertaken by the group and applicability, scope (area/localities to be covered and activities), resources, identification and approval process (resources/fund allocation, identification process and approval process) modalities of execution and implementation and monitoring.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the FY 2022-23	Number of meetings of CSR Committee attended during the year
1.	Mr. Hardeep Singh	Chairperson	2	2
2.	Mrs. Surmeet Kaur	Member	2	2
3.	Mr. Chandra Shekhar Verma	Member	2	1

3. Provide the web-link where Composition of CSR , CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Particular	Web-link
Composition of CSR Committee	https://ikio.in/leadership-governance?team=1
CSR Policy	https://ikio.in/corporate-governance
CSR projects approved by the board	No specific projects were approved during FY 2022-23.

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

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)
1	2019-20	Nil
2	2020-21	Nil
3	2021-22	Nil
	TOTAL	Nil

6. Average net profit of the company as per section 135(5)

The Average net profit of the Company for the preceeding three financial years was Rs. 29,23,84,501/-

7. (a) Two percent of average net profit of the company as per section 135(5): Rs.58,47,690/-
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
 (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): 58,47,690/-
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer.
58,50,000	Nil	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

SI No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (yes/no)	Location of the project	Project duration	Amount allocated for the project (Rs.)	Amount spent in the current financial Year (Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency
										Name CSR Registration number
No Ongoing projects, hence not applicable										

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

SI No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (yes/no)	Location of the project	Amount spent for the project (Rs.)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	Name	CSR Registration number
1	Promoting Education	Promoting Education	No	Uttarakhand Rishikesh	38,50,000	No	Katyani Mandir Gyan Kartar Ashram	CSR 00047885	
2	Promoting Health Care	Promoting Health Care	Yes	New Delhi Rohini	20,00,000	No	Shree Aggarsain North Ex Welfare Society	CSR 00020396	

- (d) **Amount spent in Administrative Overheads:** Nil
 (e) **Amount spent on Impact Assessment, if applicable:** Not applicable
 (f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** Rs 58,50,000/-
 (g) **Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	58,47,690/-
(ii)	Total amount spent for the Financial Year	58,50 ,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2310/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
N.A							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in Which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year(in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project- Completed /Ongoing
N.A								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year
 (a) Date of creation or acquisition of the capital asset(s). Not Applicable
 (b) Amount of CSR spent for creation or acquisition of capital asset. Not Applicable
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Not Applicable
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Not Applicable
 11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board

Sd/-

Mr. Hardeep Singh

Managing Director
Chairman, CSR Committee

DIN: 00118729

Date: August 04, 2023
Place: Noida

Annexure-II**Form AOC-1**

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

**Statement containing salient features of the financial statement of
Subsidiaries/Associate Companies/Joint Ventures**
Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with **Rs. in million**)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	FINE TECHNOLOGIES (INDIA) PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-
4.	Share capital	2.00
5.	Reserves & surplus	215.28
6.	Total assets	591.87
7.	Total Liabilities	374.59
8.	Investments	189.24
9.	Turnover	689.50
10.	Profit before taxation	127.22
11.	Provision for taxation/Deferred Tax	36.81
12.	Profit after taxation	90.41
13.	Proposed Dividend	-
14.	% of shareholding	100%

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with **Rs. in million**)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	IKIO SOLUTIONS PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-
4.	Share capital	0.50
5.	Reserves & surplus	(14.29)
6.	Total assets	567.59
7.	Total Liabilities	581.38
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(12.09)
11.	Provision for taxation/Deferred Tax	4.71
12.	Profit after taxation	(16.81)
13.	Proposed Dividend	-
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year - NIL

Part "B": Associates and Joint Ventures

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

(Information in respect of each Associate/ Joint Venture to be presented with **Rs. in million**)

Name of associates/Joint Ventures
1. Latest audited Balance Sheet Date
2. Shares of Associate/Joint Ventures held by the company on the year end <ul style="list-style-type: none"> • No.of shares
3. Amount of Investment in Associates/Joint Venture
4. Extend of Holding%
5. Description of how there is significant influence
6. Reason why the associate/joint venture is not consolidated
7. Net worth attributable to shareholding as per latest audited Balance Sheet
8. Profit/Loss for the year <ul style="list-style-type: none"> i. Considered in Consolidation ii. Not Considered in Consolidation

1. Names of associates or joint ventures which are yet to commence operations - NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year – NIL

**By Order of the Board of Director
IKIO Lighting Limited**

Date: August 04, 2023
Place: Noida

Hardeep Singh
 Director
 DIN: 00118729

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.- NIL
2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	Fine Technologies (India) Private Limited (Wholly Owned Subsidiary)
	Nature of contracts/arrangements/transaction	Purchase / Sales
	Duration of the contracts/arrangements/transaction	One year
	Date of approval by the Board/EGM	1st April, 2022
	Amount paid as advances, if any	Nil

Sl. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	Royalux Lighting Private Limited (Wholly Owned Step Down Subsidiary)
	Nature of contracts/arrangements/transaction	Purchase/ Sales
	Duration of the contracts/arrangements/transaction	One year
	Date of approval by the Board/EGM	1st April, 2022
	Amount paid as advances, if any	Nil

Sl. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	Raina MetalTech Private Limited (Enterprises in which key management personnel and their relatives are able to exercise significant influence)
	Nature of contracts/arrangements/transaction	Rent
	Duration of the contracts/arrangements/transaction	One year
	Date of approval by the Board/EGM	1st April, 2022
	Amount paid as advances, if any	Nil

Sl. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	Royalux Exports Private Limited (Wholly Owned Step Down Subsidiary)
	Nature of contracts/arrangements/transaction	Sale
	Duration of the contracts/arrangements/transaction	One year
	Date of approval by the Board/EGM	1st April, 2022
	Amount paid as advances, if any	Nil

Sl. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	Krishna Computech International Private Limited (Enterprises in which key management personnel and their relatives are able to exercise significant influence)
	Nature of contracts/arrangements/transaction	Sale
	Duration of the contracts/arrangements/transaction	One year
	Date of approval by the Board/EGM	1st April, 2022
	Amount paid as advances, if any	Nil

**By Order of the Board
For IKIO LIGHTING LIMITED**

Place: Noida
Date: 04.08.2023

Surmeet Kaur
Whole time Director
DIN-00118695

Hardeep Singh
Managing Director
DIN-00118729

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
IKIO Lighting Limited
CIN: U31401DL2016PLC292884
411, Arunachal Building 19
Barakhamba Road, Connaught Place,
New Delhi- 110001

I, Mehak Gupta, Proprietor of Mehak Gupta & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IKIO Lighting Limited (CIN- U31401DL2016PLC292884) (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute's books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (as amended) ('**the Act**') and the rules made there under;
- (ii) Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made there under;- **Not applicable to the Company during the audit period;**
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;- **Not applicable to the Company during the audit period;**
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable to the Company during the audit period;**
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended) :- (**Not applicable to the Company during the audit period**).

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended); (Not applicable to the Company during the audit period).
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended);- (**Not applicable to the Company during the audit period**).
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - (**Not applicable to the Company during the audit period**).
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;- (**Not applicable to the Company during the audit period**).
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - (**Not applicable to the Company during the audit period**).
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - (**Not applicable to the Company during the audit period**)
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - (**Not applicable to the Company during the audit period**).
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015:- (**Not applicable to the Company during the audit period**). and
 - j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018:- (**Not applicable to the Company during the audit period**).
- (vii) I further report that, having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the provisions of Labour Laws, Environmental Laws and other related Industry specific laws to the extent applicable to the Company.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, there was no change in the composition of the Board of Directors except appointment of Mr. Kishor Kumar Sansi (DIN: 07183950) and Mr. Chandra Shekhar Verma (DIN: 00121756) w.e.f April 14, 2022 and Mr. Rohit Singh (DIN: 05272543) w.e.f April 20, 2022, as Non-Executive Independent Directors of the Company.

Adequate notice has been given to all Directors to schedule the Board Meetings/Committee Meetings during the financial year under review, agenda and detailed notes on agenda were sent generally at least seven days in advance to all the Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. On inspection of the minutes as captured and recorded it was ascertained that all the decisions of the Board and Committees' Meetings were unanimous and there were no dissenting views.

I further report that, based on the review of the compliance reports and the certificates of the Company Executive and taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company is generally regular in filing of e-forms with the Registrar of Companies within the time prescribed under the Act except few forms are filed with Additional fee.

I further report that during the audit period, there was specific event/action having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., as mentioned below:

- The name of the Company has changed from "Ikio Lighting Private Limited" to "Ikio Lighting Limited" with effect from April 18, 2022.
- The Company has, vide Special Resolution passed by the Shareholders at their Annual General Meeting held on September 16, 2022 approved and adopted as the new amended Articles of Association of IKIO Lighting Limited (the "Company") in total exclusion and substitution of the Company's existing Articles of Association.
- The Company has, vide Special Resolution passed by the Shareholders at their Annual General Meeting held on September 16, 2022 issued Bonus Shares of up to 4,00,00,000 (Four Crore) equity shares of Rs. 10/- each by capitalization of a sum not exceeding Rs. 40,00,00,000/- (Rupees Forty Crore only) out of the amount available, in the free reserves, securities premium account or the capital redemption reserve account.
- The Company has, vide Special Resolution passed by the Shareholders at their Annual General Meeting held on September 16, 2022, approved the Initial Public Offer (IPO) of Equity Shares comprising of a fresh issue of Equity Shares aggregating up to Rs. 3,500 million by the Company (the "Fresh Issue") (including a pre-Offer placement, if any) and an offer for sale of up to 90,00,000 Equity Shares by existing shareholders of the Company, which are held by them and which are eligible for offer for sale in accordance with the SEBI ICDR Regulations at such price as may be determined in accordance with the book building process.
- The Company has, vide Special Resolution passed by the Shareholders at their Annual General Meeting held on September 16, 2022, change the place for keeping register(s), record(s) and all document(s) of the Company from registered office to Corporate office of the Company D-234, Sector -63, Noida -201301 (UP).. Further, the Board of director already agreed to change such place from Registered Office to Corporate Office of the Company at D-234, Sector -63, Noida -201301 (UP).
- IKIO Lighting Limited has entered into Share Purchase Agreement with IKIO Solutions Private Limited (ISPL) and ISPL's Shareholders with an objective to acquire 100% equity shareholding of ISPL. IKIO Lighting Limited has purchased and acquired 100% of the ownership and voting interest in ISPL by payment of consideration to Shareholders of ISPL, pursuant to Share Purchase Agreement, ISPL become the wholly-owned subsidiary of IKIO Lighting Limited w.e.f. 12th September, 2022.
- IKIO Lighting Limited has entered into Share Purchase Agreement with Fine Technologies (India) Private Limited (FTIPL) and FTIPL's Shareholders with an objective to acquire 100% equity shareholding of FTIPL. IKIO Lighting Limited has purchased and acquired 100% of the ownership and voting interest in FTIPL by payment of consideration to Shareholders of FTIPL. Pursuant to Share Purchase Agreement, FTIPL become the wholly-owned subsidiary of IKIO Lighting Limited w.e.f. 12th September, 2022.

I further have to state that:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, we followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where-ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Mehak Gupta & Associates
Company Secretaries**

**Mehak Gupta
Proprietor
FCS No.: 10703
C P No.: 15013
Peer Review No. 1643/2022
UDIN: F010703E000668492**

**Place: Delhi
Date: 24.07.2023**

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Electronics Manufacturing Services (EMS) Industry

The global electronics manufacturing services market is traditionally comprised of companies that manufacture electronic products, predominantly assembling components on printed circuit boards (PCBs) and box builds for major brands. Today, brands are seeing more value from EMS companies, leading to involvement beyond just manufacturing services to include product design and development, testing, and aftersales services such as repair, remanufacturing, marketing, and product lifecycle management.

Evolution of Global EMS industry

The EMS market was established more than five decades ago to execute manufacturing designs from government, defence, and research institutions. As the years progressed, the EMS market grew to support the demand that exceeded the manufacturing capacity of the brands. By the mid-1990s, the advantages of the EMS concept became extremely evident and major brands started outsourcing PCB assembly on a large scale. By the end of the 1990s and early 2000s, several brands having their own manufacturing facilities sold their assembly plants to the EMS players, aggressively striving for market share. A wave of partnerships followed as the more cash-rich EMS companies started buying the existing plants and the smaller EMS companies to consolidate their position in the global market.

Evolution of EMS industry

As the technology advances, the size of the components and the circuits usually becomes smaller. With the demand for the novel features and products growing up in recent years, manufacturers are turning towards more state-of-the-art and sophisticated technical solutions to streamline their manufacturing processes. Electronics manufacturing is observing substantial traction in the adoption of the advanced robots, due to their capability to perform tasks at enhanced precision levels. Artificial intelligence is another transformative technology in the EMS segment, primarily changing the way a machine functions and interconnect. Partnerships, mergers, agreements, and other types of strategic initiatives are becoming more and more prevalent among the brands, EMS providers, OEMs, ODMs, and stakeholders as they work to familiarize to the speedy transitions in the manufacturing space.

Overview of global EMS industry

The global EMS market was estimated at USD 880 billion in 2021 and is expected to grow at a CAGR of 5.4% to reach

USD 1,145 Billion in CY 2026. The global EMS market witnessed a period of steady growth till CY 2018, riding on the wave of increased outsourcing activities from OEMs and increasing electronics content. However, in CY 2019, the opportunities started stagnating due to multitude of factors, including (i) decline of global automotive sales and saturation of consumer electronic sales, (ii) supply chain restriction due to heightened trade tensions between the United States and China, and (iii) the COVID-19 pandemic. EMS industry recorded a 3.4 % decline in CY 2020. Impact on the industry was expected to be higher; however certain factors worked in favour of the industry.

EMS companies are equipped to provide a gamut of services which include design, assembly, manufacturing, and testing of electronic components for brands. These companies can be contracted at different points in the manufacturing process. While large EMS companies have the capability to offer an entire range of services starting from design, sourcing of components, assembly, and testing (also known as ODM), small and mid-size EMS companies offer primarily assembly and testing services.

Electronics manufacturing services differ by the service providers and an EMS company can provide any combination of the following: product design, prototyping, sourcing of components, PCB assembly, cable assembly, electromechanical assembly, box assembly, testing, and aftermarket services.

Globally the EMS market is well established, and most service providers have high maturity levels in component fabrication, system assembly and testing. In the last few decades, the market has expanded to offer design and development services and after sales services such as repair and remanufacture, marketing, and product lifecycle management. Recently, some market participants have even started offering software solutions due to the increased penetration of digitization in the end markets they serve.

Drivers and Challenges for the growth of Global EMS industry Drivers

- Technological advancements and acceptance of smart home devices
- Greater Emphasis on Vehicle Electrification
- Technological upgrade of facilities
- Product development activities
- COVID-19 induced pent-up demand

The development of new manufacturing technologies and the emerging end-use sectors, such as the Internet of Things, are expected to boost demand for the EMS

industry. The use of smart lighting has also been on the rise in the past few years.

The IoT technology in lighting has potential to grow not just in office buildings but also in warehouses, commercial parking areas, healthcare facilities, educational facilities, and retail outlets. As LED lights are naturally friendly to digital controls (they include a semiconductor to produce light), they are perfectly suited for IoT applications.

Growth of the smart lighting market is owed to the government's push in terms of the 'Smart City Mission', and 'Digital India' programs, as well as rising adoption of smart homes across the country.

Major manufacturers are strengthening their R&D investment to differentiate their products and attract new end-use applications. The rising popularity of smart home devices raises very high expectations for EMS companies.

In the United States, companies provide electronic manufacturing services that include developing optoelectronics, radio frequency and wireless devices, and microelectronics devices for the rapidly growing smart home sector. Key market participants are focusing on increasing production volumes by combining cloud computing, artificial intelligence, big data analysis, and 3D printing to produce connected devices for smart homes.

Challenges / marketrestraints

- Presence of market participants is high
- Shrinking operating margin
- Complex structure and delay in supply chain
- Shortened product lifecycles and uncertain demand.
- Regulations and Violations of IP

The India Advantage

China leads the global EMS business with almost 46.7% share. Its dominance in the global market is attributed to a blend of cost effectiveness and technological leadership in electronics manufacturing. It is a high growth region due to operational cost benefits, availability of a large number of highly skilled personnel, infrastructure, logistical advantages, and proximity to the largest end-user base across all end-user verticals.

However, post COVID-19 pandemic, many global electronics manufacturers are contemplating on China +1 strategy and looking for alternate manufacturing locations for exports business. This is creating tremendous investment potential for countries like, India, Vietnam, and Philippines etc.

India contributes to approximately 2.2% of the global EMS market in 2021. However, there is a strong push from the government to make India an ideal location for Electronics manufacturing in the region.

Under the National Policy on Electronics (NPE), India announced various programmes in 2019, including Modified Electronics Manufacturing Clusters (EMC 2.0), to enhance the infrastructure of electronics manufacturing and offer incentives to manufacture more products that promote EMS in India.

Geopolitical situation and their impact on the Indian EMS industry

US-China Trade War: Beginning in the early 2017, the Trump government began making threats of tariffs on the Chinese imports. In the month of March of 2018, the administration endorsed its first of three rounds of tariffs which ultimately covered a varied range of Chinese exports comprising manufactured by over 4,500 EMS companies in the country. These imports from the United States are transferred from China to other countries due to the trade war between these two major economies. Asian countries, especially India, Vietnam, and Indonesia, are likely to benefit more than the rest of the world due to lower wages and their geographical proximity to China.

Decoupling from China: For India, decoupling from China policy is not a new phenomenon. In the last decade, India had embarked upon countable opportunities for overcoming large imports from China. India's trade deficit with China however, it remains huge. Nevertheless, some decoupling trends in India also became visible in fiscal 2020, mainly owing to the pandemic which has paved the way for growth of manufacturing in India.

Rising labour cost in China: The aspiration level of Chinese workers has increased, and they are focusing on high-tech jobs, leaving gaps in the low end of manufacturing value chain. This has led to scarcity of the labour and a higher cost due to lack of availability of the manpower. As at CY 2020, the average cost of manufacturing labour per day is USD 6.2 in India and USD 28.2 in China, which make manufacturers to move out of China.

Impact of Global chip shortage on EMS industry: The global chip supply shortage intensified in 2021 as a result of the COVID-19 pandemic, as major companies across industries have failed to meet the rising demand for electronic goods and components. The Russia-Ukraine war has certainly added to the impact of the semiconductor industry. Key reasons behind the global chip shortage include supply chain disruptions, geographic concentration of electronic manufacturing, rise in demand for digital and electronic products and digital adoption across the world, and a lack of investment in chip production capacity.

As a result, the prices of household appliances and electronics have increased. The supply of finished electronic products and components necessary for local manufacturing has been delayed due to prolonged congestion at Chinese ports and a lack of containers. The strong order book of semiconductor companies shows

strong demand for semiconductor chip. This will significantly increase capital expenditure to meet this demand. Based on the current timing of capacity ramping, analysts predict that there would be a broad-based oversupply of semiconductors at some point in 2023.

OVERVIEW OF INDIAN ELECTRONICS INDUSTRY

Electronics is one of the fastest growing industries in the country. The total electronics market (which includes domestic electronics production and imports of electronic finished goods) in India is valued at INR 9263 billion (USD 124 billion) in Fiscal 2022 and is expected to grow at a CAGR of 17.9% to reach INR 17,902 billion (USD 240 billion) in Fiscal 2026.

Domestic production accounted for approximately 69% of the total Indian electronics market in Fiscal 2022, valued at INR 6,376 billion (USD 86 billion), and is expected to grow at a CAGR of 24.2% to reach INR 15,159 billion (USD 203 billion) in Fiscal 2026, owing to various government initiatives to boost domestic electronics manufacturing industry.

Also, the global landscape of electronic design and manufacturing is changing significantly, and revised cost structures have shifted the attention of multinational companies to India. At present, the Indian government is attempting to enhance manufacturing capabilities across multiple electronics sectors and to make the Indian electronics sector globally competitive. India is positioned as a destination for high-quality design work as well as a cost-competitive alternative.

Population and urbanization in India

As at Fiscal 2021, India is the world's second most populous country, with 1.35 billion people, or 17% of the world's total population. India's population is expected to grow at a CAGR of 1.0% between Fiscal 2022 and Fiscal 2026. India's Gen Y constitutes a third of the country's population and will join the working-age group, forming 42% of the total working-age population, by Fiscal 2026.

India is in the midst of a massive wave of urbanization. There has been a drastic increase in urban towns and cities in the country over the past few years, primarily driven by a better standard of living and job opportunities in the cities. India's seven largest metropolitan areas – Mumbai, Delhi, Bengaluru, Kolkata, Chennai, Hyderabad, and Ahmedabad—dominate the country's economic landscape.

Per capita Electronics consumption

India's per capita electronic usage is low compared to the worldwide average. Global per capita electronics consumption is 4.1 times that of India. While Indian government has initiated various measures to boost Indian

domestic electronics manufacturing industry, the country has also witnessed growth in electronics consumption. Long term growth outlook for the industry is extremely positive, primarily because market penetration.

LED Lights are Supported by the recent Government initiatives and changing consumer preference, LED lighting industry has grown significantly over the last decade, primarily driven by energy efficiency regulations, widespread manufacturing, and reduced prices of LED light sources. India is expected to become more cost competitive compared to China on account of its lower labour costs, greater levels of localization, automated processes in manufacturing.

Financial Overview

Our presence in ODM product segments with growing demand of high-end decorative LED Lights, Commercial refrigerator LED lights, accessories for recreation vehicles like ABS pipes, Solar panels with charge controllers etc in overseas market coupled with a top-tier global customer base in their respective industries and a continuous focus on efficiency of the Company and productivity, have enabled us to deliver consistent and strong financial performance.

Your Company enjoys long term relationship with the customers and increasing its footsteps in global market. We currently export primarily to the United States, but we intend to continue to expand our export business. Given our demonstrated operational and financial track record, we are confident that our existing ODM relations as well as new ones will provide us with the opportunity to service some of their international jurisdictions.

We have built our business organically and have demonstrated consistent growth in terms of revenues, EBITDA, profitability, and cash generation from operations.

Our balance sheet has also shown continued improvement and we have maintained fiscal prudence in our choice of capital deployment for expansion to maintain strong return matrices.

Growth opportunities in the LED market

LED Lights in the last decade gained momentum as the popular choice and emerged as an alternative to the commonly used incandescent and CFL bulbs. In a price sensitive market such as India, LEDs are increasingly being accepted as they rank higher when it comes to energy saving and lifespan when compared to the other two alternatives. LEDs are far more energy efficient than their CFL counterparts and at the same time are more reliable. When these advantages are factored in, the initial higher price of LED become justified for consumers. Although the Indian LED lighting market is at a relatively nascent stage, it offers innumerable opportunities for growth over the

next few decades. Furthermore, increasing affordability for consumers and their growing desire for convenience and ease of use is spurring the demand for home and decorative lighting.

Growth Opportunity in Overseas Market

Domestic sales have been historically important for our business; however, our international business is expected to become an increasingly key growth driver for our business in recent years. Though fiscal 2023 was not good for the company in terms of export sales, but we have built a strong international customer base and export business will emerge as substantial contributor to the revenue growth.

Our subsidiary, REPL, spearheads our international exporting business to the United States. There is a new urgency now to examine practical alternatives to manufacturing in China given the tariff conflicts and the aftereffects of the COVID-19 pandemic, along with rising manufacturing cost structures and changing geo-political landscape. However, transferring production decisions is not very straight forward as concentrated production of all major components in China improves the product cost,

efficiency and time-to-market. Due to the above factors. Overseas OEMs are considering an alternative country for additional production rather than completely replacing China.

OEMs are considering developing economies as potential manufacturing locations out of which India has a particular edge as a developing country that provides infrastructure as well as a platform for cost-cutting.

We currently export primarily to the United States, but we intend to continue to expand our export business. Given our demonstrated operational and financial track record, we are confident that our existing ODM relations as well as new ones will provide us with the opportunity to service some of their international jurisdictions. We are in negotiations with multiple customers, primarily in the United States, as well as other jurisdictions, for the supply of LED home lighting products and other solutions.

Principal Factors Affecting Our Results of Operations

Our financial performance and results of operations are influenced by a number of important factors, including without limitation, intense global and domestic competition, general economic conditions, changes in conditions in the regional markets in which we operate, changes in costs of raw materials and supplies, and evolving government regulations and policies.

Cost and availability of raw materials and other inputs

Our Cost of Goods Sold, which is the aggregate of our

costs of materials consumed and changes in inventories, makes up the largest portion of our operating expenses.

Our financial condition and results of operations are significantly impacted by the availability and cost of our major raw materials and components, particularly diodes, resistors, printed circuit boards, semiconductor materials, plastic and polymers, aluminium dye cast and extruded aluminium, various metals, electrical and electronic components, aluminium products, stainless steel products, palladium oxide, carbon steel products, valves and gauges and fabricated metal components.

We primarily source our key raw materials and components used in the manufacturing process from third-party suppliers in India and internationally. In addition to India, we also source raw materials from vendors primarily based in China.

The prices of our raw materials are based on, or linked to, the global pricing of such raw materials and components. Volatility in commodity prices can significantly affect our raw material costs.

While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. We cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them, on commercially acceptable terms.

The worldwide supply chain continues to be affected by challenges related to COVID-19 pandemic, shortage of semi-conductors and volatility in prices. Organization needs to reimagine and manage its supply chain differently to ensure business continuity and growth.

Macroeconomic trends that affect global demand for LED lighting solutions

Our growth and results of operations and financial condition are significantly affected by end-customer demand for our products and services, which in turn is linked to macroeconomic factors driving demand for our end-customers' products and services in India and globally. These factors may include levels of per capita disposable income, levels of consumer spending, consumer preferences, business investment, changes in interest rates, fuel and power prices, government policies or taxation, social or civil unrest and political, economic or other developments that affect consumption and business activities in general.

Revenue concentration from our Key Customers

We depend on certain customers who have contributed to a substantial portion of our total revenues. Our largest customer is Signify Innovations India Limited, erstwhile Philips Electronics India Limited ("Signify (Philips)").

While we are continuing to expand and diversify our product offerings (e.g., refrigerator lighting, RV lighting and accessories for exports, ABS piping and accessories, solar panels and controller systems for RVs), we expect that, in the foreseeable future, a limited number of customers (including Signify (Philips)) will continue to comprise a significant percentage of our operating revenue.

Internal Control System and adequacy

The Company has an adequate system of internal controls to ensure that transactions are properly authorized, recorded, and reported, apart from safeguarding its assets. The internal control system is supplemented by well-documented policies, guidelines and procedures and reviews carried out by the Company's internal auditor, which submits reports periodically to the Management and the Audit Committee of the Board. Your Company has a favourable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity.

Human Resource / Industrial Relations

Your Company believes that employees are key for our success, have immense knowledge and power of innovation. Your Company aims to create an environment where every employee can contribute to the company's performance, excel and grow in their respective jobs. Our focus is to recruit employees with right skills and talent, raise competency through training and development, recognize and reward leadership and performance.

Employees are encouraged to have a passion for excellence and focus on the customer with a performance goal of doing things right first time and every time. Your Company provides challenging and fulfilling opportunities to maximize employee potential so that every employee excels and grows along with Company's growth.

Health, Safety and Environment remains our top priority. Periodic audits are carried out both internally as well as through external agencies to identify gaps and to define action items for continuous improvement, ensuring a safe workplace for employees.

Financial Performance

The Company continued its focus on its operations and cost optimization through backward integration of key

raw material save semiconductor chips. The details of the financial performance of the company appear in the Balance Sheet, Profit & Loss Account and other financial statements forming part of this Annual report. For financial highlights please refer heading 'Financial summary' of Director's Report.

Key Financial Ratio

Standalone

Ratios	Unit	FY 2023	FY 2022
Revenue from Ops	(INR Mn)	2,413.59	2,198.95
EBITDA (1)	(INR Mn)	389.40	401.50
EBITDA Margin (2)	(%)	16.13%	18.26%
Profit After Tax (3)	(INR Mn)	246.42	280.10
Debt to Equity (4)	(Times)	0.24	0.21
RoCE (5)	(%)	30.76%	41.62%
RoE (6)	(%)	24.36%	36.64%
Net Debt to EBITDA (7)	(Times)	0.63	0.39

Consolidated*

Ratios	Unit	FY 2023	FY 2022
Revenue from Ops	(INR Mn)	3,587.65	2,198.95
EBITDA (1)	(INR Mn)	774.81	401.50
EBITDA Margin (2)	(%)	21.60%	18.26%
Profit After Tax (3)	(INR Mn)	500.38	280.10
Debt to Equity (4)	(Times)	0.86	0.21
RoCE (5)	(%)	28.32%	41.62%
RoE (6)	(%)	35.20%	36.64%
Net Debt to EBITDA (7)	(Times)	1.55	0.39

*The financial information for the year ended March 31, 2023 contains consolidation of subsidiaries from September 12, 2022 to March 31, 2023 and hence is not representative of a full year of consolidated financial information of the Group and is therefore not comparable to the financial information provided in the Offering Documents of the IPO. The values provided in column "Consolidated", are the standalone values.

- (1) EBITDA is calculated as the sum of (i) profit for the year from continuing operations, (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses less other income
- (2) EBITDA Margin is calculated as EBITDA divided by revenue from operations.
- (3) PAT Margin is calculated as profit after tax divided by Total Income.
- (4) Debt to Equity is calculated as total debt including lease liability, divided by Total equity.
- (5) ROCE is calculated as earnings before interest and tax divided by Capital Employed. Capital Employed is calculated as sum of tangible net worth and total Debt including lease liability.
- (6) ROE is calculated by profit after tax divided by total equity.
- (7) Net Debt/EBITDA Ratio is calculated as Net Debt divided by EBITDA.

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2022-23

{Pursuant to Regulation 34 read with Schedule V(C) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015}

1. Company's Philosophy

Corporate Governance refers to set of policies, principles, laws, regulations and procedures etc. The Company's philosophy on Corporate Governance is aimed at conducting business ethically, efficiently and in a transparent manner, fulfilling its corporate responsibilities to various stakeholders retaining and enhancing investor trust. One of the principal pillars of this philosophy is to have a diverse Board with experts from various fields/industries optimizing the value addition. Over the years the Company has been disclosing information concerning the performance and future prospects of the company in its Board's Report. The Company is committed to comply with all statutory requirements in respect of Corporate Governance. The aim is to best align the interests of individual, company and society at large.

2. Board of Directors

The Board of Directors ('the Board') is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that shareholders' long-term interests are being served.

(a) Composition and Category of Directors

The Company's Board comprises directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required of Executive and Non-Executive Directors as required under the Companies Act, 2013 ('the Act') and of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") requiring not less than half the Board to be Independent. The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board.

The Board consists of six directors. Out of the six directors, three directors are Executive Directors and three directors are Non-Executive Independent Directors. Executive Directors of the Company – Mr. Hardeep Singh (CMD), Mrs Surmeet kaur (WTD), Mr. Sanjeet Singh (WTD). and Non-Executive Independent Directors of the Company – Mr. Chandra Shekhar Verma, Mr. Kishore Kumar Sansi , Mr. Rohit Singhal. Mr. Hardeep Singh is the Chairman of all Board Meetings held during the financial year 2022-23.

The composition and category of directors and also number of other directorships and committees' memberships/chairmanship held by them in other companies as on March 31, 2023 are given below:

S. No	Name of Director	Category of Directorship	No. of other Directorships (refer note no 1 & 2)	No. of Membership of other Committees (refer note no 1 & 2)	Chairman ship of other Committee(s) (refer note no 1 & 2)	Directorship held in other Listed Companies along with nature of Directorship (refer note no 1 & 2)
1	Mr. Hardeep Singh	Managing Director & Executive, Director (Promoter)	-	-	-	-
2	Ms. Surmeet Kaur	Executive & Whole Time Director	-	-	-	-
3	Mr. Sanjeet Singh	Executive & Whole Time Director	-	-	-	-
4	Mr. Rohit Singhal	Non-executive Independent Director	-	-	-	-

S. No	Name of Director	Category of Directorship	No. of other Directorships (refer note no 1 & 2)	No. of Member ship of other Committees (refer note no 1 & 2)	Chairman ship of other Committee(s) (refer note no 1 & 2)	Directorship held in other Listed Companies along with nature of Directorship (refer note no 1 & 2)
5	Mr. Kishore Kumar Sansi	Non-executive Independent Director	-	-	-	-
6	Mr. Chandra Shekhar Verma	Non-executive Independent Director	2	1	1	SML Isuzu Limited (Independent Director), Multi Commodity Exchange Limited (Independent Director)..

(a) Composition and Category of Directors

Note:

1. In accordance with Regulation 26 (1) of SEBI Listing Regulations, memberships/chairpersonship of only Audit Committees and Stakeholders Relationship Committees of all Indian Public Limited Companies (excluding IKIO Lighting Limited) have been considered.
2. Directorships held by directors in other companies do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

The number of directorships and the position held in Board Committees by the Directors as on March 31, 2023 are in conformity with the limits on the number of Directorships and Board Committee positions as laid down in the Act and SEBI Listing Regulations. None of our Directors serves as Director in more than seven listed companies and none of the Executive Directors serve as an Independent Director in any listed company. Further, none of our Independent Director serves as Non-Independent Director of any company on the Board of which any of the Company's Non-Independent Director is an Independent Director. Further, none of the directors of the Company is a member of more than ten committees of Board and chairperson of more than five committee across all listed entities in which he is a director.

Except Mr. Hardeep Singh, Mrs. Surmeet Kaur and Mr. Sanjeet Singh, none of the Directors and Key Managerial Personnel hold any share of the company. The Company has not issued any convertible instruments.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

(b) Board Meetings

The Board of Directors meets regularly to review strategic, operational and financial matters. The notice of the Board meeting is given well in advance to all the Directors. All the statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company. The Agenda for the Board and Committee Meetings cover items set out as per the guidelines in SEBI Listing Regulations to the extent it is relevant and applicable.

During the Financial Year 2022-23, the Board met Eleven (11) times on April 01, 2022, April 08, 2022, April 13, 2022, April 20, 2022, June 01, 2022, June 22, 2022, September 14, 2022, September 17, 2022, September 29, 2022, December 24, 2022 and March 25, 2023. The maximum gap between any two consecutive Meetings did not exceed the number of days as stipulated in law in force.

Details of attendance of the directors at the Board Meetings held during the year 2022-23 and last Annual General Meeting are as under:

S. No	Name of Director	Category of Directorship	No. of Board Meetings Held During the FY Year 2022-23	No. of Board Meetings attended	Attendance at last AGM 16.09.2022
1	Mr. Hardeep Singh	Managing Director & Executive Director (Promoter)	11	11	Yes
2	Mrs. Surmeet Kaur	Whole-Time Director (Promoter)	11	11	Yes
3	Mr. Sanjeet Singh	Whole-Time Director	11	11	Yes
4	Mr. Rohit Singhal	Independent Director	11	7	Yes
5	Mr. Kishore Kumar Sansi	Independent Director	11	7	Yes
6	Mr. Chandra Shekhar Verma	Independent Director	11	7	Yes

(c) Independent Director

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Pursuant to Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, (as amended), all the Independent Directors of the Company are registered in the Independent Directors' data bank as maintained by "Indian Institute of Corporate Affairs".

Pursuant to Regulation 25(7) of SEBI Listing Regulations, the Company has in place a system to familiarize the Independent Directors about the Company, their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company, amendment in statutory provisions, through various presentations during the Board Meetings. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to be familiarized with the Company's procedures and practices. Senior management personnel of the Company make presentations to the Board Members on a periodically basis briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives etc. and seek their opinions and suggestions on the same. The policy and details of familiarization programme for Independent Directors is available on the Company's website.

In terms of Regulation 25(8) of SEBI Listing Regulations, Independent Directors have submitted the declaration that they meet the criteria of independence as provided in Regulation 16 (1) (b) of SEBI Listing Regulations and they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of SEBI Listing Regulations and that they are independent of the management.

(d) Separate meeting of Independent Directors:

In accordance with Regulation 25(3) of SEBI Listing Regulations read with the provisions of Schedule IV of the Act, a separate meeting of the Independent Directors was held on March 31, 2023 without the presence of Non-Independent directors, inter alia to:

- Review the performance of the Non-Independent Directors and the Board as a whole;
- Review of performance of Chairman of the Company/Board taking into account the views of executive directors and non-executive directors.
- Assess the quality, quantity and timeliness of flow of information between the company's management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Mr. Kishore Kumar Sansi was unanimously elected as Chairman of the meeting and all independent directors were present at the meeting. The Independent Directors also discussed matters pertaining to the Company's affairs and functioning of the Board.

(e) Matrix of skills/expertise/ competence of Directors

The following core skills/ expertise/competencies have been identified by the Board as required in the context of its business and the sector in which the Company operates:

Leadership, Industry Expertise & Knowledge, Strategic Planning, Business Development & Administration, Plant Operations, Strategy & Risk Management, Technical Expertise, Finance & Accounting, Legal & Governance, Public Relations, Human Resource Management & Industrial Laws, Understanding of government legislation/legislative process, Corporate Restructuring, Risk Management and Corporate Social Responsibility.

The Company's Board comprises of qualified members, who possesses aforesaid knowledge, experience, skills, expertise and professional competencies for effective contribution to the Board and its Committees.

Name of the Director	Skills/Expertise/Competencies
Mr. Hardeep Singh – Managing Director	Leadership, Industry Expertise & Knowledge, Strategic Planning, Business Development & Administration
Mrs. Surmeet Kaur – Whole-Time Director	Public Relations, Corporate Social Responsibility and Human Resources Management
Mr. Sanjeet Singh – Whole-Time Director	Over all operations of the Company, Industry Expertise & Knowledge, Strategic Planning, Business Development & Administration
Mr. Rohit Singhal – Independent Director	Finance & Accounting, Taxation & Industrial Laws, Expertise and Understanding of government legislation/legislative process
Mr. Kishore Kumar Sansi – Independent Director	Strategy & Risk Management, Technical Expertise and Understanding of government legislation/legislative process
Mr. Chandra Shekhar Verma –Independent Director	Finance & Accounting, Taxation and Corporate Social Responsibility, Expertise and Understanding of government legislation/legislative

(f) Disclosure of Appointment/Re-appointment of Directors at the Annual General Meeting

In accordance with the provisions of section 152(6) of the Act and the Articles of Association of the Company, Mr. Hardeep Singh, Managing Director of the company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

3. Audit Committee

The Audit Committee acts as a link between the Internal and Statutory Auditors and the Board of Directors. The Audit Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures.

(a) Terms of reference

The broad terms of reference of the Audit Committee are as per Section 177 of the Act and to review with the management and/or Internal Auditor and/or Statutory Auditor, inter alia, in the following areas:

1. Overseeing the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company including the internal auditor, cost auditor and statutory auditor of the Company, and fixation of the audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
9. Approval or any subsequent modification of transactions of the Company with related parties; All related party transactions shall be approved by only Independent Directors who are the members of the committee and the other members of the committee shall reuse themselves on the discussions related to related party transactions;
- Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
10. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary; Appointment of Registered Valuer under Section 247 of the Companies Act, 2013.
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up thereon;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. To review the functioning of the whistle blower mechanism;
21. Approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

22. Carrying out any other function as is mentioned in the terms of reference of the audit committee; and
23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
24. To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
25. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
26. Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
27. the Audit Committee shall review compliance with the provisions of the SEBI Insider Trading Regulations, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;
28. to consider the rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. of the Company and provide comments to the Company's shareholders.
29. Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws, and carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Audit Committee mandatorily reviews:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations; and
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.
7. The financial statements, in particular, the investments made by any unlisted subsidiary; and
8. Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

(b) Composition, Meeting and Attendance

Audit Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. The members of the Audit Committee are financially literate and have expertise in accounting and financial management.

During the year under review, Four (4) meetings of Audit Committee were held on June 22, 2022, October 14, 2022, February 05, 2023 and March 31, 2023.

The Composition of the committee and attendance details of the members at these meetings for the year 2022-23 are given below:-

S. No	Name of Member	Position in Committee	No. of Meetings Held during FY 2022-23	No. of Board Meetings attended
1	Mr. Rohit Singhal (Independent Director)	Chairman	4	4
2	Mr. Kishore Kumar Sansi (Independent Director)	Member	4	4
3	Mr. Hardeep Singh (Managing Director)	Member	4	4

The Statutory Auditor, Internal Auditor and Chief Financial Officer also attend the meetings as invitees, whenever required to address concerns raised by the Committee members. The Company Secretary is in attendance at these meetings.

4. Nomination & Remuneration Committee

Nomination & Remuneration Committee of the Board is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.

(a) Terms of Reference-

The terms of reference / powers of the Nomination & Remuneration Committee include the following:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
3. Formulating criteria for evaluation of performance of independent directors and the Board;
 4. Devising a policy on diversity of Board;
 5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
 6. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7. Recommending to the board, all remuneration, in whatever form, payable to senior management;
8. Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;
9. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
10. Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
11. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
12. Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Company;
13. Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
 - b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;
14. Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable;
15. Performing such other functions as may be necessary or appropriate for the performance of its duties; and
16. Perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2022.
17. Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") including the following:
 - i. Determining the eligibility of employees to participate under the ESOP Scheme;
 - ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - iii. Date of grant;
 - iv. Determining the exercise price of the option under the ESOP Scheme;
 - v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
 - vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
 - viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
 - x. The grant, vest and exercise of option in case of employees who are on long leave;
 - xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
 - xii. The procedure for cashless exercise of options;
 - xiii. Forfeiture/ cancellation of options granted;
 - xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the

number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
18. Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;]

The Board has adopted the Nomination & Remuneration Policy ("NRC Policy") for the functioning of the Committee. The NRC Policy of the Company applies to all future employment agreements with members of the Company's Senior Management including Key Managerial Personnel and Board of Directors. The policy is available on the website of the Company <https://www.ikio.in>.

(b) Composition, Meeting and Attendance

All the members of the Nomination and Remuneration Committee are Non-Executive Independent Directors. During the year under review, Nomination & Remuneration Committee was held on March 25, 2023. All the members of the Committee attended the meeting.

The details of the Composition and attendance of each member at this meeting for the year 2022-23 are given below:-

S. No	Name of Member	Position in Committee	No. of Meetings Held during FY 2022-23	No. of Meetings Attended
1	Mr. Kishore Kumar Sansi (Independent Director)	Chairman	1	1
2	Mr. Chandra Shekhar Verma (Independent Director)	Member	1	1
3	Mr. Rohit Singhal (Independent Director)	Member	1	1

(c) Performance Evaluation

In terms of the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Nomination & Remuneration Committee has carried out the annual performance evaluation of the Board, the Directors individually as well as the evaluation of the working of Board Committees. The performance evaluation of the Board and its committees was conducted on the basis of various criteria such as composition, functions, responsibilities, effectiveness, structure, competencies, strategy, independence and contribution, risk identification and its control, diversity, and nature of business. As required under SEBI Listing Regulations, the Company has formulated a policy on Appointment and Evaluation of Board of Directors, Key Managerial Personnel & Senior Management Personnel as defined under the Companies Act, 2013. This policy is available on the website of the Company <https://www.ikio.in>.

Criteria for performance evaluation of Independent Directors

The performance of Independent Directors is evaluated by the entire Board of Directors based on the following criteria and in the aforesaid evaluation, the directors who are subject to evaluation do not participate:

- i. Attendance and Participation in Board /Committee/General Meetings;
- ii. Understanding duties, responsibilities and liabilities as a director;

- iii. Ability to remain focused at a governance level in Board/Committee Meetings;
- iv. Adequate qualifications and relevant experience in the industry and business environment;
- v. Bringing relevant experience to the Board and uses it effectively;
- vi. Understanding the vision and mission of the Company, strategic plans and key issues;
- vii. Understanding and fulfilling the function as assigned by the Board/law;
- viii. Actively take initiative with respect to various areas;
- ix. Demonstrating highest level of integrity including conflict of interest disclosure, maintenance of confidentiality etc.;
- x. Rendering independent judgment and unbiased opinion in relation to decision making;
- xi. Timely inputs on the minutes of the board and Committees if any;
- xii. Director has effectively assisted the company in implementing best corporate governance practice and its monitoring;
- xiii. Adhere to the legal obligations, applicable code of conduct and policies;
- xiv. Director is effective and successful in managing relationships with board members and senior management;
- xv. Competency, as per the criteria identified by the Nomination and Remuneration Committee for the effective functioning of the Board/Committee;
- xvi. Understanding of governance, regulatory, financial, fiduciary and ethical requirements of the Board/Committees;
- xvii. Actively and successfully refreshes his/her knowledge and skills and up to date with the latest developments in areas such as corporate governance framework, financial reporting, industry and market conditions;
- xviii. Maintains a high standard of ethics and integrity;
- xix. Independence from the Company and other directors;
- xx. Adequately commitment to the Board and the Company.

5. Stakeholders' Relationship Committee

Pursuant to the provisions of Section 178 of the Act read with Regulation 20 of SEBI Listing Regulations, the Board has constituted Stakeholders' Relationship Committee to ensure timely and best services to the shareholders and to supervise the performance of the Registrar and Share Transfer Agent (RTA).

The terms of reference of the Stakeholders' Relationship Committee are in conformity with the provisions of Schedule II Part D of SEBI Listing Regulations and Section 178 of the Act. The role of the Committee inter-alia includes the following:

- resolving the grievances of the shareholders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends (if any), issue of new / duplicate certificates, general meetings etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- review of the various measures and initiatives taken by the Company for ensuring timely receipt of annual reports / statutory notices by the shareholders of the Company.

During the year no Stakeholders' Relationship Committee meeting was held. The details of the Composition of the Stakeholders' Relationship Committee as on March 31, 2023 are given below:-

Sl. No	Name of Director	Position in the Committee
1	Mr. Chandra Shekhar Verma (Independent Director)	Chairman
2	Mr. Sanjeet Singh (Whole-time Director)	Member
3	Mrs. Surmeet Kaur (Whole-time Director)	Member

Mr. Sandeep Kumar Agarwal, Company Secretary is the Compliance Officer of the Company. Mr. N. Shyam, Senior Manager, MCS Share Transfer Agent Ltd. is authorized person on behalf of M/s. KFIN Technologies Limited, Registrar & Share Transfer Agent. An email ID exclusive for registering shareholders' complaints/ grievance has been formed as secretarial@ikiolighting.com

6. Risk Management Committee

The Risk Management Committee has been constituted to identify the existing and prospective risks attached to the business of the Company; to monitor and review the Risk Management Plan of the Company; to suggest measures for mitigation of the Risks attached to the business of the Company; and to take any other action as may be directed by the Board of Directors in respect of the Risk Management. The committee shall also review and reassess the adequacy of this plan periodically and recommend proposed changes.

The Company has in place a Risk Management Policy including Risk Management and Risk Mitigation Procedures relating to various aspects of the operations of the company. The Policy is available on the website of the Company at <https://www.ikio.in>.

During the year no Risk Management Committee meeting was held. The details of the Composition of the Risk Management Committee as on March 31, 2023 are given below:-

Sl. No	Name of Director	Position in the Committee
1	Mr. Hardeep Singh (Managing Director)	Chairman
2	Mr. Kishore Kumar Sansi (Independent Director)	Member
3	Mr. Sanjeet Singh (Whole-Time Director)	Member

7. Corporate Social Responsibility Committee (CSR)

The Board of Directors of the Company has a Corporate Social Responsibility Committee and the terms of reference are in conformity with the provisions of Section 135 read with Schedule VII of the Act and the Rules framed thereunder.

The terms of reference of the CSR Committee are:

- to formulate and recommend to the Board the CSR policy and a CSR annual action plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect;
- to identify the areas/activities/projects/programmes for CSR expenditure;
- to review and recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company;
- to monitor the implementation of CSR Policy and oversee the CSR initiatives of the Company.

The CSR Policy is available on the Company's website <https://www.ikio.in>. The CSR Policy lays down areas of activities, thrust area, types of projects, programs, modes of undertaking projects/ programs etc.

During the year, Two (2) Corporate Social Responsibility Committee meetings were held on April 08, 2022, and March 25, 2023.

The details of the Composition and attendance of each member at these meetings for the year 2022-23 are given below:-

S. No	Name of Member	Position in Committee	No. of Meetings Held during FY 2022-23	No. of Meetings Attended
1	Mr. Hardeep Singh – (Managing Director)	Chairman	2	2
2	Mr. Surmeet Kaur (Whole-time Director)	Member	2	2
3	Mr. Chandra Shekhar Verma (Independent Director)	Member	2	1

8. Details of remuneration/sitting fees paid to Directors during the financial year 2022-23:

The terms of remuneration of Executive Directors are approved by the shareholders at their general meetings. Details of remuneration paid to the Directors of the Company for the financial year ended March 31, 2023 are given below:

i. Executive Directors

Name	Salary (Rs. in Million)
Mr. Hardeep Singh(Managing Director)	17.37
Mrs. Surmeet Kaur(Whole-Time Directors)	8.30
Mr. Sanjeet Singh (Whole-Time Director)	2.81

ii. Non-Executive Independent Directors

Criteria of making payment to Non-Executive Directors

Non-executive Directors are paid sitting fees for attending meetings of the Board and its committees, as recommended by Nomination & Remuneration Committee and fixed by the Board of the Company. Non-executive Directors do not draw any remuneration/commission other than sitting fees. Details of sitting fee paid to the Non-Executive Directors of the Company for the financial year ended March 31, 2023 are given below

Name	Sitting fee paid (Rs. in Million)
Mr. Rohit Singhal	0.55
Mr. Kishore Kumar Sansi	0.55
Mr. Chandra Shekhar Verma	0.47
Total	1.57

Notes:

1. The remuneration of executive/non-executive directors is approved by the Board of Directors and shareholders, in line the NRC Policy of the Company and relevant provisions of the Act.
2. There is no separate provision for payment of severance fees.
3. There were no variable components and performance linked incentives.
4. There were no pecuniary relationships or transactions between Non-Executive Independent Directors and the Company during the financial year 2022-23 except payment of sitting fee for attending the Board/Committee Meeting(s).
5. The Company does not give any Employee Stock Option.

9. General Body Meetings

(a). The details of date, location and time of the last three AGMs and Special Resolution passed thereat:

Financial year	Date	Time	Venue	Special Resolutions Passed
2021-22	16.09.2022	11.00 AM	IKIO Lighting Limited 411 Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi -110001	1. Adoption of new set of Articles of Association of the Company. 2. Issue of Bonus Shares. 3. Issue of Initial Public Offering of Equity shares of the company. 4. Approval for Employee Stock Option Plan. 5. Change in place of keeping & Inspection of Registers, Returns Etc. 6. Approval for Creation of charge/mortgage on the properties/assets of the Company under Section 180(1)(a) of the Companies Act, 2013.
2020-21	30.11.2021	11.00 AM	IKIO Lighting Limited 411 Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi -110001	-
2019-20	31.12.2020	10.00 AM	IKIO Lighting Limited J-12/76, Rajouri Garden, New Delhi -110027	-

(b) **Extra-Ordinary General Meeting: Ten (10) Extraordinary General Meeting (EGM) was held during the last three financial years i.e. 2022-23, 2021-22 and 2020-21.**

Postal Ballot: No Postal Ballot was conducted during the year under review. As on the date of this report, there is no immediate proposal for passing any resolution through postal ballot.

10. Means of Communication

- (a) Quarterly/ half yearly/ annual financial results are submitted to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") immediately after approval of the Board of Directors.
- (b) The Company's website contains the updated information pertaining to quarterly, half-yearly and annual financial results, annual reports, shareholding pattern, intimation of board meeting dates, press releases etc. The said information is available in a user friendly and downloadable form in "Investor Section" of the Company's website <https://ikio.in>.
- (c) Company displays official news releases on its website as required.
- (d) During the FY year, no presentation has been made to institutional investor/analysts after listing of the Company, Investor meet was held on August 8, 2023
- (e) Management's Discussions and Analysis Report forms part of Board's Report of the Annual Accounts more specifically under Operations, Current Year Outlook, Internal Control System and adequacy, Human Resources and Industrial Relations.

- (f) All periodical compliances, filings and all other corporate communications are filed.

11. General Shareholder Information

- (a) Annual General Meeting will be held on Thursday, September 14, 2023 at 11:00 AM at through video conferencing / other audio visual means and deemed venue will be registered office of the Company 411, Arunachal Building, 19 Barakhamba Road, New Delhi - 110001.
- (b) **Dates of Book Closure:** The Share Transfer Books and Register of Members of the Company shall remain closed from Friday, the September 08, 2023 to Thursday, the September 14, 2023 (both days inclusive).
- (c) Financial Calendar for the period 2023-24 Tentative schedule for considering financial results

Tentative schedule for considering financial results:

First Quarter Results (30.06.2023)	By August 04, 2023
Second Quarter Results (30.09.2023)	By November 14, 2023
Third Quarter Results (31.12.2023)	By February 14, 2024
Fourth Quarter Results (31.03.2024)	By May 30, 2024

- (d) No dividend has been declared by the Company for Financial Year 2022-23.
- (e) Listing of Equity Shares on Stock Exchange:

The Company's shares got listed on the BSE Limited ("BSE") and National Stock Exchange ("NSE") of India Limited on 16th June 2023.

BSE Limited Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.	Scrip Code - 543923
National Stock Exchange of India Limited Exchange Plaza, C – 1, Block G Bandra Kulra Complex, Bandra (E), Mumbai - 400051	Scrip Code - IKIO
ISIN Number for NSDL & CDSL	INE0LOJ01019

The listing fees for the year 2023-24 have been paid to BSE and NSE within the stipulated time. Further, the Company has also paid Annual Custody Fees for the financial year 2022-23 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

- (f) **Registrar & Share Transfer Agent:** M/s. KFIN Technologies Limited, Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serili ngampally, Hyderabad Rangareddi Telangana 500032 Tel: No. 040 - 67162222; Email ID: einward.ris@kfintech.com.
- (g) **Share Transfer System:**

The Company's shares are compulsory traded in the Stock Exchanges in electronic mode. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, transfer of physical shares of listed companies are barred and securities can be transferred only in dematerialized form effective from April 1, 2019 except in case of transmission or transposition of securities. Further, SEBI vide its circular number SEBI/HO/MIRSD/_RTAMB/P/CIR/2022/8 dated January 25, 2022 directed listed companies to issue securities in dematerialized form while processing the requests of transmission, transposition, issue of duplicate securities, renewal/exchange of securities, sub-divisions/splitting, consolidation of securities. However, shareholders are not barred from holding shares in physical form.

Shareholding Pattern as on March 31, 2023

Category	Shares	Percentage
Promoters	6,49,99,142	99.99
Others	858	0.01
Total	6,50,00,000	100.00

(h) Dematerialization of Shares

As on March 31, 2023, 100 % of the Company's total paid up equity shares representing 6,50,00,000 equity shares were held in dematerialized form.

(i) The Company has never issued any depository receipts or convertible instruments and therefore, there is no outstanding GDR/ADR/Warrants or any other convertible instrument as on March 31, 2023.

(j) Plant Location:

Plot No. 102, Setor 7, IIE, Sidcul, Haridwar – 249403.

(k) Registered Office, Corporate Office Address of correspondence:

Shareholders' correspondence may be addressed at below address:

IKIO Lighting Limited	IKIO Lighting Limited	Kfin Technologies Limited
Registered Office 411, Arunachal Building, 19 Barakhamba Road, New Delhi – 110001 Phone: 011- 43613807 E-mail : secretarial@ikiolighting.com	Corporate Office D-234, Sector – 63, Noida - 201301 Phone: 0120-4116186 E-mail : secretarial@ikiolighting.com	Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi Telangana 500032 Phone: 040- 67162222

(l) **Rating**- There is no debt instrument or any fixed deposit programme or any scheme/proposal of the Company involving mobilization of funds and therefore, no credit rating was required to be obtained for any such purpose.

12. Other Disclosures

(a) Disclosure on materially significant related party transactions

All transactions entered into with the Related Parties during the financial year 2022-23 were in the ordinary course of business and/or on arm's length basis. Details of related party transactions during the financial year 2022-23 are disclosed in the notes to the accounts. During the year, there were no materially significant transactions with the related parties that may have potential conflict with the interest of the Company at large. The Company has formulated a policy for Related Party Transaction and the said policy is available on the website of the Company under the web <https://ikio.in>.

(b) Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil Mechanism by adopting a Whistle Blower Policy for all stakeholders including directors, employees etc. to report concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct as well as providing adequate safeguards against the victimization of employees who avail of the mechanism. The Policy is available on the Company's website under the web link <https://ikio.in/uploads/policy/VigilMechanismPolicy.pdf>. No personnel of the Company have been denied access to the Audit Committee. The Company has not received any complaint during the financial year 2022-23.

(c) Details of compliance with mandatory and adoption of non-mandatory requirements

The Company is in compliance with all mandatory requirements of Corporate Governance specified in SEBI Listing Regulations.

The Company is not mandatorily required to constitute Risk Management Committee in terms of Regulation 21(5) of SEBI Listing Regulations, but the Board has discretionary constituted Risk Management Committee to identify the existing and prospective risks attached to the business of the Company. The Company has laid down procedure to inform Board Members about the risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that management controls risk through the means of properly defined framework of the Company.

(d) Web link where policy for determining material subsidiaries is disclosed.

Fine Technologies (India) Private Limited, Royalux Export Private Limited and Royalux Lighting Private Limited are the "material subsidiary" in accordance with Regulation 16 of SEBI Listing Regulations. As required under the aforesaid Regulation, the Company has formulated a policy for determining "Material Subsidiary" policy which is placed on the website of the Company.<https://ikio.in/uploads/policy/IKIO%20POLICY-FOR-DETERMINING-MATERIAL-SUBSIDIARIES.PDF>

(e) Disclosure of commodity price risks or foreign exchange risks and hedging activities:

Foreign Exchange Risk

Company's payables and receivables are partly in foreign currencies and due to fluctuations in foreign exchange rates, it is subject to Currency risks.

(f) Details of utilization of funds raised through preferential allotment or qualified institutional placement

During the financial year 2022-23, the Company has not raised fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations.

(g) Certificate on Non-disqualification of Directors from Practicing Company Secretaries-

As required by Clause 10(i) of Part C under Schedule V of SEBI Listing Regulations, the Company has obtained a certified from M/s. Mehak Gupta & Associates, Company Secretary in Practice certifying that for the financial year ended on March 31, 2023, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI or Ministry of Corporate Affairs (MCA) or any such statutory authority. A certificate issued by M/s. Mehak Gupta & Associates to that effect is attached and forming part of this report as Annexure - A.

(h) Recommendations of the committees

During the financial year 2022-23, the Board has accepted and taken on record, all recommendations made by any Committee of the Board.

(i) Total fees paid by the Company to Statutory Auditors during the year ended March 31, 2023

For Statutory Audit Fee - Rs. 6,00,000/-

For Tax Audit - Rs. 3,00,000/-

Out of pocket expense- Rs. 3,65,078/-

(j) Disclosure regarding Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to provide a work environment which ensures that every employee is treated with dignity, respect and afforded equal treatment. The Company has in place a policy for prevention of Sexual Harassment of employee at workplace. The Company has set up an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into complaints relating to sexual harassment at workplace of any woman employee. During the year under review, no complaint pertaining to sexual harassment was received and no complaint was pending as on March 31, 2023.

(k) Disclosure of Loans and advances to firms/companies in which directors are interested

During the year under review, the Company has given loan to its Subsidiaries company. Particulars of loan given to Subsidiaries companies is provided in financial statements of the Company.

13. All the mandatory requirements of SEBI Listing Regulations have been complied with by the Company. There is no non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Section C of Schedule V of SEBI Listing Regulations.

Shareholder's Rights: The company was listed on 16th of June 2023, Quarterly financial results (Standalone & Consolidated) of the Company was published in English and Hindi newspapers and are also forwarded to BSE and NSE. The said results are also uploaded on the website of the Company <https://www.ikio.in>. However, the Company furnishes the financial results on receipt of request from the shareholders. In future also the company shall comply with the SEBI (LODR) regulations, 2015.

Modified Opinion in Audit Report: There was no qualification or modified opinion in the Independent Auditors' Report on Audited Financial Statements (Standalone & Consolidated) for the year ended March 31, 2023. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

Reporting of Internal Auditors: The Company is having Independent Internal Auditor. Internal Auditor send their reports to the Chief Financial Officer and in turn, the reports are placed at the meeting of Audit Committee for its review. The Internal Auditor of the Company is perpetual invitee to the Audit Committee Meeting. They attend Audit Committee Meeting and present their internal audit observations to the Audit Committee. They directly interact with Audit Committee Chairman & Members during the meeting.

14. Disclosure with compliance with the requirements of Corporate Governance

All the requirements of Corporate Governance, as specified in Regulation 17 to 27 of SEBI Listing Regulations and applicable to the Company, have been complied with. The Company maintains a functional website <https://www.ikio.in> and the Company disseminate the information as specified in sub-regulation (2) of Regulation 46 of SEBI Listing Regulations on its website.

15. Code of Conduct

The Company has in place a Code of conduct based on its business principles along with implementation framework for its Directors and Senior Management Personnel of the Company. The Code of Conduct, inter alia, specifies the guidance and support for ethical conduct of business and compliance of law as well as the duties of Independent Directors as laid down in the Companies Act, 2013. Directors and Senior Management of the Company affirm the compliance with the Code on annual basis. A declaration on confirmation of compliance of the Code of Conduct signed by the Managing Director is published in this Annual Report in compliance of Regulation 26 of SEBI Listing Regulation.

In compliance with the SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has in place a comprehensive Code of Conduct to Regulate, Monitor and Report Trading by Insiders, for its Directors and Senior Management Officers. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company. Annual Declarations containing the annual disclosures of holding of securities have been obtained from all the Directors and the Designated Persons of the Company for the financial year ended March 31, 2023. The Code is available on the Company's website <https://ikio.in/>.

16. CEO / CFO Certification

Certificate issued by Managing Director and Chief Financial Officer to the Board of Directors in terms of Regulation 17(8) of SEBI Listing Regulation read with Part B of Schedule II of SEBI Listing Regulations is annexed as Annexure-B to this report.

18. Compliance Certificate from practicing company Secretary regarding compliance of conditions of Corporate Governance Corporate Governance

As per SEBI Listing Regulations, the Compliance Certificate received from M/s. Mehak Gupta & Associates, Company Secretary in Practice confirming compliance with conditions of Corporate Governance is given as an Annexure-C to this Report.

For and on behalf of the Board

Place : Noida
Date : August 04, 2023

Hardeep Singh
Managing Director

Annexure-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
**The Members of
IKIO Lighting Limited
(formerly known as Ikio Lighting Private Limited)
411, Arunachal Building 19,
Barakhamba Road, Connaught Place,
Delhi – 110001, India**

We, **Mehak Gupta & Associates, Company Secretaries** have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IKIO Lighting Limited** having **CIN: U31401DL2016PLC292884** and having registered office at **411, Arunachal Building 19, Barakhamba Road, Connaught Place, Delhi – 110001, India** (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Ms. Surmeet Kaur	00118695	21/03/2016
2.	Mr. Hardeep Singh	00118729	21/03/2016
3.	Mr. Sanjeet Singh	08353656	01/02/2019
4.	Mr. Chandra Shekhar Verma	00121756	14/04/2022
5.	Mr. Kishore kumar sansi	07183950	14/04/2022
6.	Mr. Rohit Singhal	05272543	20/04/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Mehak Gupta & Associates
Company Secretaries**

**Mehak Gupta
FCS No: 10703
C.P No. 15013
Peer Review No.: 1643/2022
UDIN: F010703E000817179**

**Place: New Delhi
Date: August 17, 2023**

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

{Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015}

To,
The Board of Directors
IKIO Lighting Limited

Sub: MD/CFO Certificate

We, to the best of our knowledge and belief, certify that:

- A. We have reviewed the audited financial results for the year ended 31st March, 2023 and that to the best of our knowledge and belief:
 - (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) These statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that:
 - (1) There are no significant changes in internal control over financial reporting during the year.
 - (2) significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements; and
 - (3) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Noida
Date: August 04, 2023

Hardeep Singh
Managing Director

Subhash Chand Agrawal
Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
**The Members of
IKIO Lighting Limited
411, Arunachal Building 19,
Barakhamba Road, Connaught Place,
Delhi – 110001, India**

We have examined all the relevant records of IKIO Lighting Limited (formerly known as IKIO Lighting Private Limited) for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Companies Act, 2013 for the period ended March 31, 2023 since the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable on the Company during the said period.

**For Mehak Gupta & Associates
Company Secretaries**

**Mehak Gupta
FCS No: 10703
C.P No. 15013
Peer Review No.: 1643/2022**

UDIN: F010703E000817333

**Place: New Delhi
Date: 17.08.2023**

Financial Statements



- Independent Auditor's Report of The
Standalone Financial**
- Balance Sheet**
- Statement of Profit & Loss**
- Cash Flow Statement**
- Statement of Changes in Equity**
- Notes to Standalone Financial Statements**
- Consolidated Accounts with Independent
Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

To

**The Members of
IKIO Lighting Limited**

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

Opinion

We have audited the accompanying standalone financial statements of IKIO Lighting Limited (formerly IKIO Lighting Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows -for the year then ended and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report for the Financial Year 2022-23, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity, and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively forensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report

to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;
- e. On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 on Contingent Liabilities to the Standalone Financial Statements;
- (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 54 to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share

premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- (v) The Company has not declared or paid any dividend during the period and until date of this report.
- (vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is mandatory only w.e.f. April 1, 2023, for the Company, reporting under this clause is not applicable.

For BGJC & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Sd/-
Pranav Jain
Partner
Membership No. 098308
UDIN: 23098308BGVLYB8356

Date: August 04, 2023
Place: Noida

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of IKIO Lighting Limited (formerly IKIO Lighting Private Limited) on the Standalone Financial Statements for the year ended March 31, 2023]

To the best of our information and according to the information, explanations, and written representations provided to us by the Company and the books of account and other records examined by us in the normal course of audit we report that:

- (I) (a) In respect of the Company's Property, Plant and Equipment, Right of Use assets and intangible assets.
 - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right of use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment and Right of Use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification which have been properly dealt with in the books of account. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of following immovable properties which have been pledged as security for loans taken by the Company, have been verified from the pledge documents.

Description of property	Gross Carrying Value (Amount in Rs. Million)
Industrial Land and Building, Plot No- 102, Sector 7, Industrial Area 11 E, Ranipur, Sidkul, Distt- Haridwar.	70.44

- (d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals during the year, except for goods in transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification which have been properly dealt with in the books of account
- (b) The Company has a working capital limit in excess of Rs. 5 crore sanctioned by banks based on the security of current assets during the year. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods.
- (iii) (a) The Company has provided loans and guarantees to 3 companies. The details of the same are given below:

Particulars	Guarantees	Loans	Amount in Rs. Million
Aggregate amount during the year			
- Subsidiaries	31.66	414.29	
Balance outstanding as at balance sheet date			
- Subsidiaries	176.51	414.29	

- (b) The investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not, *prima facie*, prejudicial to the interest of the Company.

- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies
- (e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.
- (f) The Company has granted loans which are repayable on demand or without specifying any terms or period of repayment, as per details below:

Amount in Rs. Million

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans			
- Repayable on demand (A)	285.29	-	285.29
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	285.29	-	285.29
Percentage of loans/advances in nature of loan to the total loans	68.86%	-	68.86%

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans, investments, guarantees and security, as applicable. Further, the Company has not entered into any transaction covered under section 185.
- (v) The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed Statutory Dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no Statutory Dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Amount in Rs. Million						
Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Sales Tax Act	Demand under Sales Tax Act	25.10	Nil	2017-18	Joint Commissioner (Appeal) Dehradun (UK)	Appeal filed on 13 April, 2022
Income Tax Act	Demand under Income Tax Act	2.44	Nil	2021-22	Income Tax	Rectification filed under Section 154 of Income Tax Act, 1961

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from banks and other lenders and written representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. There are no associates or joint ventures.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the Standalone Financial Statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
(b) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
(c) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There is no unspent amount towards Corporate Social responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund Specified in Schedule VII of the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the company.

- (b) The Company has not undertaken any ongoing projects in relation to its CSR activities. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Date: August 04, 2023
Place: Noida

Pranav Jain
Partner
Membership No. 098308
UDIN: 23098308BGVLYB8356

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of IKIO Lighting Limited (formerly IKIO Lighting Private Limited) on the standalone financial statements for the year ended March 31, 2023]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IKIO Lighting Limited (formerly IKIO Lighting Private Limited) ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI").

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For BGJC & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Date: August 04, 2023
Place: Noida

Sd/-
Pranav Jain
Partner
Membership No. 098308
UDIN: 23098308BGVLYB8356

Standalone Balance Sheet

AS AT 31 MARCH, 2023

(All amounts are in Rupee million, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	174.79	168.45
Right of use assets	4	2.10	3.36
Intangible assets	5	0.72	0.46
Financial assets			
(i) Investments	6	130.10	-
(ii) Loans	7	129.00	-
(iii) Other financial assets	8	1.60	1.63
Deferred tax assets (Net)	9	6.58	4.15
Non current tax asset (Net)	10	4.96	2.10
Other non current assets	11	2.10	8.66
Total non-current assets		451.95	188.81
Current assets			
Inventories	12	443.62	562.35
Financial assets			
(i) Trade receivables	13	163.10	259.69
(ii) Cash and cash equivalents	14	0.70	6.50
(iii) Loans	15	285.29	-
(iv) Other financial assets	16	7.20	1.09
Other current assets	17	143.31	107.63
Total current assets		1,043.22	937.26
Total assets		1,495.17	1,126.07
Equity and liabilities			
Equity			
Equity share capital	18	650.00	250.00
Other equity	19	361.62	514.41
Total equity		1,011.62	764.41
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	3.42	11.08
(ii) Lease liabilities	21	0.37	1.91
Provisions	22	9.65	7.83
Total non-current liabilities		13.44	20.82
Current liabilities			
Financial liabilities			
(i) Borrowings	23	240.93	147.22
(ii) Lease liabilities	24	1.60	1.40
(iii) Trade payables	25		
- total outstanding dues of micro and small enterprises; and		107.28	34.20
- total outstanding dues of creditors other than micro and small enterprises		74.23	106.07
(iv) Other financial liabilities	26	22.15	30.51
Other current liabilities	27	21.90	4.13
Provisions	28	2.02	4.46
Current tax liabilities (net)	29	-	12.85
Total current liabilities		470.11	340.84
Total liabilities		483.55	361.66
Total equity and liabilities		1,495.17	1,126.07

Summary of significant accounting policies

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For BGJC & Associates LLP
Chartered Accountants

Firm's Registration Number: 003304N/N500056

Pranav Jain
Partner
Membership Number. 098308

Place: Noida
Date: August 04, 2023

For and on behalf of the Board of Directors of
IKIO Lighting Limited

Hardeep Singh
Managing Director
DIN: 00118729

Subhash Agrawal
CFO

Surmeet Kaur
Whole Time Director
DIN: 00118695

Sandeep Agarwal
Company Secretary

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts are in Rupee million, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	30	2,413.59	2,198.95
Other income	31	26.31	8.24
Total Income		2,439.90	2,207.19
Expenses			
Cost of materials consumed	32	1,695.34	1,523.50
Change in inventories	33	60.45	(68.06)
Employee benefits expenses	34	188.68	263.82
Finance costs	35	57.35	5.34
Depreciation and amortisation expenses	36	29.04	24.47
Other expenses	37	79.72	78.19
Total expenses		2,110.58	1,827.26
Profit before tax		329.32	379.93
Tax Expenses	50		
Current tax		85.56	99.11
Deferred tax charge/ (credit)		(2.71)	(0.42)
Related to earlier years		0.05	1.14
		82.90	99.83
Profit after tax		246.42	280.10
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		1.05	1.53
- Income tax relating to these items		(0.26)	(0.38)
Other comprehensive income for the year, net of tax		0.79	1.15
Total comprehensive income for the year		247.21	281.25
Earnings per equity share (in Rs.):	38		
Nominal value of Rs. 10 each (previous year Rs. 10 each)			
- Basic (Rs.)		3.79	4.31
- Diluted (Rs.)		3.79	4.31
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For BGJC & Associates LLP
 Chartered Accountants
 Firm's Registration Number: 003304N/N500056

Pranav Jain
 Partner
 Membership Number. 098308

Place: Noida
 Date: August 04, 2023

For and on behalf of the Board of Directors of
IKIO Lighting Limited

Hardeep Singh
 Managing Director
 DIN: 00118729

Subhash Agrawal
 CFO

Surmeet Kaur
 Whole Time Director
 DIN: 00118695

Sandeep Agarwal
 Company Secretar

Standalone Cash flow Statement

for the year ended March 31, 2023

(All amounts are in Rupee million, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from operating activities			
Net profit before tax		329.32	379.93
Adjustments for:			
Depreciation and amortisation expense		29.04	24.47
Allowance for expected credit loss		1.14	-
Finance cost		57.35	5.34
Income other than operating income		(17.59)	(0.02)
(Gain) on sale of property, plant & equipment (net)		(0.11)	(0.15)
Sundry Balance written Off		0.70	-
Unrealised foreign exchange loss (net)		0.93	-
Operating cash flow before working capital changes		400.77	409.57
Changes in assets and liabilities:			
Decrease/(Increase) in Inventories		118.73	(246.38)
Decrease/(Increase) in trade receivables		94.67	(103.31)
(Increase)/Decrease in other financial assets		0.34	(0.76)
(Increase)/Decrease in other assets		(35.69)	(4.72)
Increase/(Decrease) in trade payables		41.10	(35.13)
(Decrease)/Increase in other financial liabilities		(8.33)	14.42
Increase/(Decrease) in other current liabilities		17.77	(5.61)
(Decrease)/Increase in provisions		2.22	6.79
Cash generated from operations		631.58	34.87
Income tax paid (net of refunds)		(100.95)	(87.40)
Net cash generated from operating activities	(A)	530.64	(52.53)
B. Cash flow from investing activities:			
Purchase of property, plant and equipment (including intangible assets and capital advance)		(30.37)	(45.59)
Sale of property, plant and equipment and intangible assets		3.23	-
Investments in Subsidiaries		(130.10)	-
Loan given to Subsidiaries		(414.29)	-
Movement in bank deposit		-	0.01
Interest received		8.31	0.02
Net cash used in investing activities	(B)	(563.22)	(45.56)

Standalone Cash flow Statement

for the year ended March 31, 2023

(All amounts are in Rupee million, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
C. Cash flow from financing activities:			
(Decrease)/Increase in long term borrowings from banks		(7.66)	(9.80)
Increase/(Decrease) in short term borrowings from banks		93.71	118.50
Payment of lease obligation		(2.16)	(0.89)
Finance Cost		(57.10)	(5.15)
Net cash generated from financing activities	(C)	26.79	102.66
Net (Decrease)/Increase in cash and cash equivalents	(A+B+C)	(5.80)	4.57
Cash and cash equivalents at the begining of the year		6.50	1.93
Cash and cash equivalents at the end of the year (see below)		0.70	6.50
(i) Components of cash and cash equivalents			
Balances with banks:			
-In current accounts		0.02	6.25
Cash on hand		0.68	0.25
		0.70	6.50
(ii) *Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:			
Particulars	Non Current Borrowings (including Current Maturities)	Current Borrowings	Lease Liabilities
For the year ended March 31, 2023			
Balance as at April 1, 2022	20.89	137.41	3.31
Loan drawals/interest accrued during the year	-	6,646.38	0.25
Loan repayments/interest payment during the year	(9.82)	(6,550.50)	(2.16)
Current maturities of non-current borrowings	(7.65)	7.65	-
Balance as at March 31, 2023	3.42	240.93	1.40
For the year ended March 31, 2022			
Balance as at April 1, 2021	31.97	17.63	-
Loan drawals/interest accrued during the year	2.41	2,823.30	4.20
Loan repayments/interest payment during the year	(13.49)	(2,703.52)	(0.89)
Balance as at March 31, 2022	20.89	137.41	3.31

(iii). The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements. The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For BGJC & Associates LLP

Chartered Accountants

Firm's Registration Number: 003304N/N500056

Pranav Jain

Partner

Membership Number. 098308

Place: Noida

Date: August 04, 2023

**For and on behalf of the Board of Directors of
IKIO Lighting Limited**

Hardeep Singh

Managing Director

DIN: 00118729

Subhash Agrawal

CFO

Surmeet Kaur

Whole Time Director

DIN: 00118695

Sandeep Agarwal

Company Secretary

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in Rupee million, unless otherwise stated)

A Equity Share Capital*

Particulars	Amount
Balance as at March 31, 2021	0.50
Issue of Bonus Shares	249.50
Balance as at March 31, 2022	250.00
Issue of Bonus Shares during the year	400.00
Balance as at March 31, 2023	650.00

B. Other Equity**

Particulars	Attributable to Owners of the Company			
	Reserve & Surplus		Remeasurement of defined benefit plans	Total attributable to owners of the company
	Equity Component	Retained Earnings		
Balance as at April 01, 2021	-	481.86	0.80	482.66
Profit for the year	-	280.10	-	280.10
Other comprehensive Income	-	-	1.15	1.15
Total Comprehensive Income	-	280.10	1.15	281.25
Issue of Bonus Share	-	(249.50)	-	(249.50)
Balance as at March 31, 2022	-	512.46	1.95	514.41
Profit for the year	-	246.42	-	246.42
Other comprehensive Income	-	-	0.79	0.79
Total Comprehensive Income	-	758.88	2.74	761.62
Issue of Bonus Share	-	(400.00)	-	(400.00)
Balance as at March 31, 2023	-	358.88	2.74	361.62

**The accompanying notes 18 and 19 are integral part of these financial statements.

For BGJC & Associates LLP

Chartered Accountants

Firm's Registration Number: 003304N/N500056

Pranav Jain

Partner

Membership Number. 098308

Place: Noida

Date: August 04, 2023

For and on behalf of the Board of Directors of IKIO Lighting Limited

Hardeep Singh

Managing Director

DIN: 00118729

Surmeet Kaur

Whole Time Director

DIN: 00118695

Subhash Agrawal

CFO

Sandeep Agarwal

Company Secretary

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Background

IKIO Lighting Limited (formerly IKIO Lighting Private Limited) ('the Company') is a company domiciled in India, with its registered office situated at Delhi. The Company was incorporated in India on March 21, 2016. The Company has received approval from the Ministry of Corporate Affairs on April 18, 2022, for the change of name from IKIO Lighting Private Limited to IKIO Lighting Limited. The Company is a leading manufacturer of LED Lighting in India. The Company delivers the right solutions and value for customers' LED Lighting requirements because of its innovative approach and vertically integrated infrastructure.

1. Basis of preparation

(I) Statement of Compliance:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 ('the Act') - read with the Companies (Indian Accounting Standards) Rules 2022 (by Ministry of Corporate Affairs ('MCA')),as amended and other relevant provisions of the Act.

The Company has uniformly applied the accounting policies during the periods presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended March 31, 2023 were authorized and approved for issue by the Board of Directors on August 04, 2023.

(ii) Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Based on the above criteria, the Company has ascertained its accounting cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

(iii) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

(iv) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value

Net defined benefit liability

Present value of defined benefit obligations.

Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note no 40: leases: whether an arrangement contains a lease;
- Note no 47: classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 is included in the following notes:

- Note no 3: measurement of useful lives and residual values to property, plant and equipment;
- Note no 3 & 4: impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on internally- generated intangible assets;
- Note no 4: measurement of useful lives of intangible assets;
- Note no 50: recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note no 39: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources;
- Note no 43: measurement of defined benefit obligations: key actuarial assumptions;
- Note no 47: Fair value measurement of financial instruments and impairment of financial assets.

(v) Measurement of fair value

A number of accounting policies and disclosures require measurement of fair value for both financial and non-financial assets and liabilities.

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

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

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

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

Level 1—	Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2—	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3—	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(vi) Recent accounting pronouncements issued but not made effective

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

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

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

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

Ind AS 12 - Income Taxes

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

2.1 Summary of Significant Accounting Policies

(i) revenue

In recognising revenue, the Company applies Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard require apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five-step model.

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the company expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

The company earns revenue from sales of LED lighting.

Revenue from sale of LED lighting

Revenue from Sale of LED lighting is recognized at the point of time upon transfer of control of promised goods to the customer in an amount that reflects the consideration the Company expects to receive in exchange for those goods i.e. when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be reliably measured. Revenue is recognized at the fair value of the consideration received or receivable, which is generally the contracted price, net of any taxes/duties and discounts considering the impact of variable consideration.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as

specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Use of significant judgements in revenue Recognition: -

- The performance obligation is satisfied upon delivery of the goods.
- At the time of entering into the agreement / raising an invoice, performance obligations in the contract are identified. The Company delivers goods as per terms & condition of the contract. Contracts are of differing natures and sometimes have one specific performance obligation, and on other occasions have multiple performance obligations. Contract liability has been created towards unsatisfied or partially satisfied performance obligation.
- Contract fulfilment costs are expensed as incurred.

Interest income

Interest income on time deposits and inter-corporate loans is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Other income

In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

(ii) Property, plant and equipment

Recognition and measurement

Items of Property, Plant and Equipment are measured at cost, net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant, and Equipment.

Any gain or loss on disposal of an item of Property, Plant and Equipment is Recognised in the statement of profit and loss.

Subsequent expenditure

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as

appropriate, only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using written down value method and is recognised in the statement of profit and loss.

The estimated useful lives of items of Property, Plant and Equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

Tangible assets:	Useful lives (in years)
Building	60
Furniture and fixtures	8-10
Plant & Machinery	15
Office equipment	5
Vehicle	8-10
Computer equipment	3
Computer servers and networks	6

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

(iii) Other intangible assets

Other intangible assets

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the company and where its cost can be reliably measured.

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight line method and is included in depreciation and amortisation expense in the statement of profit and loss.

The useful lives of intangible assets are as follows:

Intangible assets:	Useful lives (in years)
Software	5

Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the statement of profit and loss.

(iv) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or CGU's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(v) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(vi) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI), or
- Fair value through profit and loss (FVTPL)

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely

payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and

expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced

by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Offsetting

Financial assets and monetary liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

iv. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

v. Impairment of financial instruments:

The Company recognises loss allowances for expected credit losses on:-

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI- debt investments

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for agreed credit period;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or another financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Expected credit loss:

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or

a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due and not recovered within agreed credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(vii) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average.

The Cost comprises all costs of purchases and other costs incurred in bringing the inventory to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

(viii) Employee Benefits

Short term employee benefits:

Short term employee benefit obligations are measured on an undiscounted basis and are expenses off as the related services are provided. Benefits such as salaries, wages, and bonus etc. are recognised in the statement of profit and loss in the year in which the employee renders the related service. The liabilities are presented as current employee benefit obligation in the balance sheet.

Long term employee benefits

Defined contribution plan: Provident fund

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India. The Company has no further obligations under the plan beyond its monthly contributions. Obligation for contribution to defined contribution plan are recognised as an employee benefit expense in statement of profit and loss in the period during which the related services are rendered by the employees.

Defined Benefit Plan: Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company provides for retirement benefits in the form of Gratuity, which provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. Benefits payable to eligible employees of the company with respect to gratuity is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost as at the balance sheet date. The resultant actuarial gain or loss on change in

present value of the defined benefit obligation is recognised as an income or expense in the other comprehensive income. The Company's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The Company's determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Actuarial gain and losses are recognised in the Other Comprehensive Income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term benefits: Compensated absences

Benefits under the Company's compensated absences scheme constitute other employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation using the Projected Unit Credit Method, done by an independent actuary as at the balance sheet date. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss.

(ix) Income tax

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the

asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

(x) Contingent Liability, Contingent Asset and Provisions

Contingent liability

Contingent liabilities are possible obligations that

arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(xi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

(xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

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

potential equity shares are deemed converted into equity shares as at the beginning of the period, unless they have been issued at a later date.

(xiii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Further:

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment.
2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallowable expenditure.
3. Income which relates to the Company as a whole and not allocable to segments is included in unallowable income.
4. Segment assets and liabilities include those directly identifiable with the respective segments. Unallowable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 42 for segment information.

(xiv) Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to



control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment

testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

Notes of the Financial Statements

for the year ended March 31, 2023

(All amounts are in Rupee million, unless otherwise stated)

3 Property, Plant and Equipment

Year ended march 31, 2023

Particulars	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 01, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at April 01, 2022	For the year	Disposal/ Adjustment	As at March 31, 2023	
Building	33.76	-	-	33.76	5.63	2.67	-	8.30	25.46
Computer	0.26	-	-	0.26	0.14	0.07	-	0.21	0.05
Plant & machinery	115.08	35.19	4.16	146.11	26.55	19.34	1.04	44.85	101.26
Land	36.68	-	-	36.68	-	-	-	-	36.68
Furniture & fixtures	0.24	-	-	0.24	0.11	0.03	-	0.14	0.10
Vehicles	22.91	-	-	22.91	9.94	4.05	-	13.99	8.92
Office equipment	3.48	1.13	-	4.61	1.59	0.70	-	2.29	2.32
	212.41	36.32	4.16	244.57	43.96	26.86	1.04	69.78	174.79

Year ended march 31, 2022

Particulars	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 01, 2021	Additions during the year	Disposal/ Adjustment	As at March 31, 2022	As at April 01, 2021	For the year	Disposal/ Adjustment	As at March 31, 2022	
Building	33.76	-	-	33.76	2.68	2.95	-	5.63	28.13
Computer	0.12	0.14	-	0.26	0.07	0.07	-	0.14	0.12
Plant & machinery	78.36	36.86	0.14	115.08	13.09	13.52	0.06	26.55	88.53
Land	36.68	-	-	36.68	-	-	-	-	36.68
Furniture & fixtures	0.24	-	-	0.24	0.06	0.05	-	0.11	0.13
Vehicles	22.56	0.35	-	22.91	4.05	5.89	-	9.94	12.97
Office equipment	2.79	0.76	0.07	3.48	0.63	0.96	-	1.59	1.89
	174.51	38.11	0.21	212.41	20.58	23.44	0.06	43.96	168.45

Footnote:

- (i) There are no impairment losses recognised during the year.
- (ii) There are no exchange differences adjusted in Property, plant & equipment.
- (iii) Refer note no 48 for capital commitments.
- (iv) The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2023 and year ended March 31, 2022.
- (v) Refer note no 20 and 23 regarding hypothecation/pledge of Property, Plant and Equipment against the borrowings from banks.

(All amounts are in Rupee million, unless otherwise stated)

4 Right-of-use assets

Particulars	Amount
Gross carrying amount as at April 01, 2021	
Opening balance	-
Addition during the year	4.05
Reversal due to closure of lease agreement (Refer footnote)	-
Closing gross carrying amount March 31, 2022	4.05
Addition during the year	0.56
Reversal due to closure of lease agreement (Refer footnote)	-
Closing gross carrying amount March 31, 2023	4.61
Opening balance	-
Amortisation for the year	0.69
Reversal due to closure of lease agreement (Refer footnote)	-
Closing accumulated amortisation & impairment as on March 31, 2022	0.69
Amortisation for the year	1.82
Reversal due to closure of lease agreement (Refer footnote)	-
Closing accumulated amortisation & impairment as on March 31, 2023	2.51
Net carrying amount as at March 31, 2022	3.36
Net carrying amount as at March 31, 2023	2.10

Note:

During the year ended March 31, 2023 and year ended March 31, 2022, the company recognised right of use assets as per Ind AS 116 Leases (Refer note no 40).

5 Intangible assets

Year ended March 31, 2023

Particulars	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 01, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at April 01, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	
Computer software	1.46	0.62	-	2.08	1.00	0.36	-	1.36	0.72
	1.46	0.62	-	2.08	1.00	0.36	-	1.36	0.72

Year ended March 31, 2022

Particulars	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 01, 2021	Additions during the year	Disposal/ Adjustment	As at March 31, 2022	As at April 01, 2021	For the year	Disposal/ Adjustment	As at March 31, 2022	
Computer software	1.16	0.30	-	1.46	0.66	0.34	-	1.00	0.46
	1.16	0.30	-	1.46	0.66	0.34	-	1.00	0.46

Footnote:

- (i) There are no internally generated intangible assets.
- (ii) The Company has not carried out any revaluation of intangible assets for the year ended March 31, 2023 and year ended March 31, 2022.
- (iii) There are no other restriction on title of intangible assets other than as already disclosed.
- (iv) There are no exchange differences adjusted in intangible assets.
- (v) The Company have not acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.

(All amounts are in Rupee million, unless otherwise stated)

6 Non-Current Investment

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	Amount	Nos.	Amount
Investments in Equity Instruments				
(i) Investments at amortized cost (Wholly owned Subsidiary)				
Unquoted - Fully paid up Equity Shares				
a) In Subsidiary Companies				
Fine Technologies (India) Private Limited	200000	129.60	-	-
IKIO Solutions Private Limited	50000	0.50	-	-
Total		130.10		-
* Investment at subsidiary are stated at cost as per Ind As 27 "Separate Financial Statement".				
Book value of Aggregate Amount of unquoted investment				
Book Value (in million)		130.10		-

Notes:

Information of subsidiaries Companies

Name of entity	Principal activity	Place of incorporation	Principal business	Proportion of ownership interest / voting rights held by the group	
				As at March 31, 2023	As at March 31, 2022
Subsidiary companies					
i) Fine Technologies (India) Private Limited	Manufacturing	Delhi, India	Noida, Uttar Pradesh	100%	0%
ii) IKIO Solutions Private Limited	Manufacturing	Noida, Uttar Pradesh	Noida, Uttar Pradesh	100%	0%

7 Non-Current Loan

	As at March 31, 2023	As at March 31, 2022
Loan to related parties (Unsecured, considered good)		
Considered good - Unsecured	129.00	-
Credit impaired	-	-
Less: Allowance for credit Impairment	-	-
Total	129.00	-

Note

- a) Disclosure of Loan and Advances in the nature of loans given to subsidiaries, in which directors are interested.

Particulars	Amount outstanding	
	As at March 31, 2023	As at March 31, 2022
Fine Technologies (India) Private Limited	129.00	-

- b) These loans are interest bearing at the rate 9.50% per annum.

(All amounts are in Rupee million, unless otherwise stated)

8 Other Non-Current financial assets

	As at March 31, 2023	As at March 31, 2022
Unsecured considered goods		
Security deposit	1.55	1.58
Fixed Deposit	0.05	0.05
	1.60	1.63

Notes

Non-current bank balance include:

Deposits of Rs. 0.05 millions (March 31, 2022 Rs. 0.05 millions) has been made for issue of guarantees in favor of value added tax authorities.

9 Deferred tax assets (Net)

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets (refer note no 50)	6.58	4.15
	6.58	4.15

10 Non current tax assets (Net)

	As at March 31, 2023	As at March 31, 2022
Income tax	4.96	2.10
	4.96	2.10

11 Other non current assets

	As at March 31, 2023	As at March 31, 2022
Balance with government authorities	0.39	0.39
Capital Advances	1.71	8.27
	2.10	8.66

12 Inventories

	As at March 31, 2023	As at March 31, 2022
Valued at lower of cost and net realisable value		
Raw materials	404.05	462.15
Work-in-progress	21.01	79.81
Finished goods	17.36	19.01
Other		
(i) Stock in transit	1.21	1.38
	443.62	562.35

Inventories are pledged as security for borrowings taken from bank (refer note no 20 and 23)

(All amounts are in Rupee million, unless otherwise stated)

13 Trade receivables

	As at March 31, 2023	As at March 31, 2022
Unsecured:		
Considered good	164.10	249.93
Having significant increase in credit risk	0.44	10.06
Less: provision for the expected credit loss	(1.44)	(0.30)
	163.10	259.69

Footnote:

Ageing Schedule for Trade Receivables- March 31, 2023

Particulars	Outstanding as at March 31, 2023 from due date of payment						
	Not Due	0-6 months	6-12 months	1-2 Years	2-3 Years	More than 3 Year	Total
Unsecured:							
(i) Undisputed Trade receivables — considered good	47.90	112.42	3.78	-	-	-	164.10
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	-	-	0.15	0.29	-	0.44
(iii) Undisputed Trade receivables — credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables — Having significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables — credit Impaired	-	-	-	-	-	-	-
Less: provision for the expected credit loss	-	(0.69)	(0.57)	(0.04)	(0.14)	-	(1.44)
Total	47.90	111.73	3.21	0.11	0.15	-	163.10

Ageing Schedule for Trade Receivables- March 31, 2022

Particulars	Outstanding as at March 31, 2022 from due date of payment						
	Not Due	0-6 months	6-12 months	1-2 Years	2-3 Years	More than 3 Year	Total
Unsecured:							
(i) Undisputed Trade receivables — considered good	249.93	-	-	-	-	-	249.93
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	9.24	0.31	0.28	0.23	-	10.06
(iii) Undisputed Trade receivables — credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables — Having significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables — credit Impaired	-	-	-	-	-	-	-
Less: provision for the expected credit loss	-	(0.07)	(0.05)	(0.07)	(0.11)	-	(0.30)
Total	249.93	9.17	0.26	0.21	0.12	-	259.69

(All amounts are in Rupee million, unless otherwise stated)

The Company has measured expected credit loss of trade receivable based on simplified approach as per Ind AS 109 - Financial Instrument

1. For explanation on the Company credit risk management process, refer note 47.
2. Trade receivables are non interest bearing.
3. Trade receivables are pledged as securities for borrowings taken from banks (refer note 20 and 23)

14 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- On current accounts	0.02	6.25
- Cash on hand	0.68	0.25
	0.70	6.50

For explanation on the Company credit risk management process, (refer note 47)

15 Current Loan

	As at March 31, 2023	As at March 31, 2022
Loan to related parties (Unsecured, considered good)		
Considered good-Unsecured	285.29	-
Credit impaired	-	-
Less: Allowance for credit Impairment	-	-
	285.29	-

Note

a) Disclosure of Loan and Advances in the nature of loans given to subsidiaries, in which directors are interested.

Particular	Amount Outstanding	
	As at March 31, 2023	As at March 31, 2023
Fine Technologies (India) Private Limited	114.00	-
IKIO Solutions Private Limited	106.50	-
Royalux Export Private Limited	64.79	-
	285.29	-

b) These loans are interest bearing at the rate 9.50%.

16 Other Current Financial Assets

	As at March 31, 2023	As at March 31, 2022
Security deposits	0.78	1.09
Interest accrued	6.42	-
	7.20	1.09

For explanation on the Company credit risk management process, (refer note 47)

(All amounts are in Rupee million, unless otherwise stated)

17 Other current assets

	As at March 31, 2023	As at March 31, 2022
Prepaid expense	2.46	1.59
Advances to supplier	44.47	42.27
Advance salary & wages	0.26	0.31
Balance with government authorities.	4.77	63.46
Other Advance	17.05	-
IPO Expenditure	74.30	-
	143.31	107.63

18 Equity share capital

- a. The Company has only one class of share capital having a par value of Rs. 10 per share, referred to herein as equity shares.

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorised Shares				
Equity shares of 10 each	100000000	1,000.00	25000000	250.00
	100000000	1,000.00	25000000	250.00
Issued, subscribed and fully paid-up shares				
Equity shares of 10 each	65000000	650.00	25000000	250.00
	65000000	650.00	25000000	250.00

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

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Equity Shares				
Shares outstanding at the beginning of the year	25000000	250.00	50000	0.50
Add : Issue of bonus shares	40000000	400.00	24950000	249.50
Shares outstanding at the end of the year	65000000	650.00	25000000	250.00

c. Terms/rights attached to equity share

Voting

Each holder of equity shares is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual general meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current year and previous year.

Liquidation

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders."

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

d. The Company does not have any Holding Company.

(All amounts are in Rupee million, unless otherwise stated)

e. Detail of shareholders holding more than 5% of equity share of the Company

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Holding in Numbers	% of Total equity shares	Holding in Numbers	% of Total equity shares
Equity shares of INR 10 each fully paid up held by :-				
Hardeep Singh	38999142	59.99%	14999670	59.99%
Surmeet Kaur	26000000	40.00%	10000000	40.00%

f. Aggregate number of equity shares issued as bonus during the year of five years immediately preceding the reporting date:

	As at March 31, 2023	As at March 31, 2022
	No. of Shares	No. of Shares
Equity shares allotted as fully paid bonus shares by capitalization of reserves	64950000	24950000

g. Details of shares held by promoters

	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
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As at March 31, 2023

Equity shares of INR 10 each fully paid	Hardeep Singh	14999670	23999472	38999142	59.99%	160.00%
Equity shares of INR 10 each fully paid	Surmeet Kaur	10000000	16000000	26000000	40.00%	160.00%
	Total	24999670	39999472	64999142	99.99%	

As at March 31, 2022

Equity shares of INR 10 each fully paid	Hardeep Singh	30000	14969670	14999670	59.99%	49898.90%
Equity shares of INR 10 each fully paid	Surmeet Kaur	20000	9980000	10000000	40.00%	49900.00%
	Total	50000	24949670	24999670	99.99%	

h. No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash or bought back during the period of 5 years immediately preceding the balance sheet date.

(All amounts are in Rupee million, unless otherwise stated)

19 Other equity

	As at March 31, 2023	As at March 31, 2022
Surplus in the statement of profit and loss		
Opening balance	512.46	481.86
(+) Net profit for the year	246.42	280.10
(-) Issue of Bonus share	<u>(400.00)</u>	<u>(249.50)</u>
Closing balance (A)	358.88	512.46
Other comprehensive income		
Opening	1.95	0.80
Add: other comprehensive income for the year	0.79	1.15
Closing balance (B)	2.74	1.95
Total other equity (A+B)	361.62	514.41

Nature and purpose of other reserves

Other comprehensive income

The Company recognises change on account of remeasurement of the net defined benefit liability as part of other comprehensive income with separate disclosure, which comprises of actuarial gains and losses.

20 Non current borrowings

	As at March 31, 2023	As at March 31, 2022
Secured		
Term loan from banks/NBFC's (refer foot note)	7.35	11.55
Vehicle loan (refer foot note)	3.72	9.34
Total non current borrowings	11.07	20.89
Less: Current maturities of non-current borrowings (included in note 23)	7.65	9.81
Non-current borrowings	3.42	11.08

The Company's exposure to currency risks, liquidity risks and interest rate risks are disclosed in Note 47

Footnotes:-

Secured loan

(i) Term Loan

IndusInd Bank Ltd

The Company has availed WCTL (Sanctioned Limit Rs 12.60 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd). Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal guarantees of Directors and one of close relative of directors.

The tenure for the loan is 36 months to be fully paid by 31st December, 2024. The loan carries floating rate of interest of MIBOR(daily)+2% at monthly rest.

(ii) Vehicle Loan

Vehicle Loan obtained from Axis Bank Limited amounting to Rs.17.00 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from October 10, 2019. Rate of interest is 9.15% p.a and balance outstanding as at March 31, 2023 is Rs. 2.40 millions (March 31, 2022 is Rs. 7.04 millions) out of which Rs. 2.40 millions is repayable in next 6 months.

Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.67 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at March 31, 2023 is outstanding Rs. 0.69 millions (March 31, 2022 is Rs. 1.20 millions) out of which Rs. 0.55 millions is repayable in next 12 months.

(All amounts are in Rupee million, unless otherwise stated)

Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.53 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at March 31, 2023 is Rs. 0.63 millions (March 31, 2022 is Rs.1.10 millions) out of which Rs. 0.50 millions is repayable in next 12 months..

21 Non-current lease liability

	As at March 31, 2023	As at March 31, 2022
Lease liability	0.37	1.91
	0.37	1.91

22 Non-current provisions

	As at March 31, 2023	As at March 31, 2022
Provision for employees benefits (refer note no 43)		
Gratuity	7.14	5.36
Compensated Absences	2.51	2.47
	9.65	7.83

23 Current borrowings

	As at March 31, 2023	As at March 31, 2022
Secured		
Cash Credit	233.28	137.41
Current maturities of long-term debt	7.65	9.81
	240.93	147.22

Footnotes:-

Secured loan
Cash Credit

IndusInd Bank Ltd

The Company has availed cash credit facility (Sanctioned Limit Rs 96.50 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd). Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal guarantees of Directors and one of close relative of directors.

The loan carries a floating rate of interest of 7.00% per annum linked with 6 month CD.

HDFC Bank Ltd

The company has also availed Cash Credit facility / LC limit (Sanctioned Limit Rs 151.00 Mn) from HDFC Bank Ltd, which is secured against pari passu charge on hypothecation of stock and debtors (charge shared with IndusInd Bank Ltd). Also, there is a collateral guarantee in form of industrial property situated at Noida owned by IKIO Solutions Pvt Ltd (A Related Party). Further, there are personal guarantees of Directors.

The loan carries a floating rate of interest of 8.35% per annum (Repo rate + Spread).

(All amounts are in Rupee million, unless otherwise stated)

24 Current lease liability

	As at March 31, 2023	As at March 31, 2022
Lease liability	1.60	1.40
	1.60	1.40

25 Trade Payables

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (refer note no 41)	107.28	34.20
total outstanding dues of creditors other than micro and small enterprises	74.23	106.07
	181.51	140.27

Footnote:

Ageing schedule for trade payables- March 31, 2023

Particulars	Outstanding as at March 31, 2023 from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 Year	Total
Micro enterprises and small enterprises	107.28	-	-	-	107.28
Other than micro enterprises and small enterprises	73.87	0.36	-	-	74.23
Micro enterprises and small enterprises - Disputed Dues	-	-	-	-	-
Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
Total	181.14	0.36	-	-	181.51

Ageing schedule for trade payable- March 31, 2022

Particulars	Outstanding as at March 31, 2022 from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 Year	Total
Micro enterprises and small enterprises	34.20	-	-	-	34.20
Other than micro enterprises and small enterprises	105.83	0.24	-	-	106.07
Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
Total	140.03	0.24	-	-	140.27

i. For trade payables to related parties please refer note 44

ii. Other creditor are non interest bearing.

iii. The Company's exposure to currency and liquidity risks related to trade payables are disclosed in Note 47.

(All amounts are in Rupee million, unless otherwise stated)

26 Other current financial liability

	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due	0.02	0.05
Expenses payable	4.04	12.65
Other Payables	18.09	17.81
	22.15	30.51

The Company's exposure to currency and liquidity risks related to other payables are disclosed in note 47

27 Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	13.67	4.13
Advance from customers	8.23	-
	21.90	4.13

28 Current provisions

	As at March 31, 2023	As at March 31, 2022
Provision for employees benefits (refer note no 43)		
Gratuity	0.53	0.06
Compensated Absences	1.49	4.40
	2.02	4.46

29 Current Tax Liabilities (Net)

	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (net of Advance Tax, TDS and TCS)	-	12.85
	-	12.85

30 Revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of product	2,413.59	2,198.95
	2,413.59	2,198.95

(All amounts are in Rupee million, unless otherwise stated)

31 Other income

	Year ended March 31, 2023	Year ended March 31, 2022
Net gain on foreign currency transactions	1.89	7.19
Interest income	14.73	0.02
Export incentive	0.01	0.24
Profit on sale of property, plant & equipment (net)	0.11	0.15
Finance income	-	0.01
Reversal of excess provision	2.85	0.62
Miscellaneous income	6.72	0.01
	26.31	8.24

32 Cost of materials consumed

	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock	462.15	276.20
Add: Purchase	1,637.23	1,709.45
Less: Closing Stock	404.05	462.15
	1,695.34	1,523.50

33 Change in inventories

	Year ended March 31, 2023	Year ended March 31, 2022
Inventories (at closing)		
- Work-in-progress.	21.01	79.81
- Finished product	17.36	19.01
	38.37	98.82
Inventories (at opening)		
- Work-in-progress	79.81	25.31
- Finished product	19.01	5.45
	98.82	30.76
Net increase in inventories	60.45	(68.06)

34 Employee benefits expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus & other allowances	143.54	113.11
Director's remuneration	26.90	124.00
Contribution to provident and other funds (refer note 43)	11.71	9.21
Expenses related to post-employment defined benefit plans (refer note 43)	3.29	2.90
Expenses related to compensated absences (refer note 43)	-	3.90
Staff welfare expenses	3.24	10.70
	188.68	263.82

(All amounts are in Rupee million, unless otherwise stated)

35 Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowing	12.18	4.73
Other borrowing costs	42.89	0.45
Interest on lease liabilities (Refer note 40)	0.25	0.16
Interest on Income Tax	2.03	-
	57.35	5.34

36 Depreciation and amortisation expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation and Amortisation (refer note 3 and 4)	27.22	23.78
Amortisation of Right of use Asset (refer note 4)	1.82	0.69
	29.04	24.47

37 Other expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Electricity charges	14.16	12.70
Legal & professional charges	9.98	13.85
Rates & taxes	8.65	9.72
Tour & travel expenses	7.39	5.43
Repair & maintenance	6.57	7.75
Lab Testing	4.65	4.51
Rent (refer note 38)	3.34	3.47
Insurance charges	2.94	2.74
Business Promotion	2.25	-
Corporate social responsibility expenses (refer footnote (ii))	5.85	5.02
Computer expenses	1.92	2.73
Security charges	1.33	1.10
Job work expense	1.00	3.27
Generator fuel & running expenses	0.68	0.42
Consumables Consumed	0.45	-
Auditor remuneration (refer footnote (i))	1.27	2.44
Directors' sitting fees	1.57	-
Sundry balance written off	0.70	-
Provision for Expected Credit Loss	1.14	-
Communication Expenses	0.73	0.57
Miscellaneous expenses	3.15	2.47
	79.72	78.19

(All amounts are in Rupee million, unless otherwise stated)

Footnotes:**i. Details of Auditor remuneration (excluding goods & service tax)**

	Year ended March 31, 2023	Year ended March 31, 2022
Statutory Audit	0.60	0.95
Tax Audit	0.30	0.15
Other Services	-	1.30
Out of Pocket Expenses	0.37	0.04
	1.27	2.44

ii. Corporate Social Responsibility expenses

As per section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of average net profit for the immediately preceding three financial year on Corporate Social Responsibility ('CSR') activities. The area for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the group as per the Act.

Particulars	Amount
(i) Construction/acquisition of any asset	
In cash	-
Yet to be paid in cash	-
Total	-
(ii) On purposes other than (i) above*	
In cash	5.85
Yet to be paid in cash	-
Total	5.85

* Contribution to an approved/ registered trust "Maa Katyani Mandir Gyan Katar Ashram" Charitable Trust', for undertaking approved Corporate social responsibility projects/ programmes/ activities. The amount shall be utilised for low cost/free education facilities to underprivileged children, establishment of medical facilities like Dispensary for public at large and also in "Shree Aggarsain International Hospital" Charitable Trust', for undertaking approved Corporate social responsibility projects/ programmes/ activities. The amount shall be utilised for free OPD, distribution of free medicines and free health check up camps.

iii. The company does not have any ongoing project going on as at March 31, 2023.

38 Disclosure as per Ind AS 33 on 'Earnings per Share' (EPS)

	As at March 31, 2023	As at March 31, 2022
Basic and Diluted earnings per share		
- Basic (Rs.)	3.79	4.31
- Diluted (Rs.)	3.79	4.31
Nominal value per share	10.00	10.00
(a) Profit attributable to equity shareholders		
Profit for the year	246.42	280.10
Profit attributable to equity shareholders	246.42	280.10
(b) Weighted average number of shares used as the denominator		
Weighted average number of equity shares for basic and diluted EPS		
At present, the company does not have any dilutive potential equity share.		

(All amounts are in Rupee million, unless otherwise stated)

39 Contingent Liabilities and Other Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent Liabilities		
Demand under Sales Tax for the year 2017-18 against pending C-Forms*	28.91	25.10
Corporate Guarantee Given	176.51	149.22
Demand under Income tax act not acknowledge as debt	2.44	-

*In the view of management, the demand is not expected to be materialised as the company expects to submit the relevant C-Forms and accordingly no provision is required to be recorded.

Capital Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Capital commitment(Net of capital advances)	4.36	2.57

40 Leases

The Company is a lessee under operating lease of two premises. The Company has executed non-cancellable operating leases for a period of 2 and 3 years respectively.

Disclosure in respect of such operating leases is as given below:

The movement in lease liabilities during the year ended is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	3.32	-
Addition - during the year	-	4.05
Finance cost accrued during the year	0.25	0.16
Payment of lease liabilities	(2.16)	(0.89)
Adjustment on account of modification	0.56	-
Closing Balance	1.97	3.32
Non-current	0.37	1.91
Current	1.60	1.40

The details of the maturities of lease liabilities at year ended are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	1.60	1.40
Later than one year but not later than five years	0.37	1.91
Later than five years	-	-
1.97	3.31	

The aggregate lease rental of Rs. 3.34 (March 2022: Rs. 3.47) million on such leases has been charged to the Statement of Profit and Loss.

(All amounts are in Rupee million, unless otherwise stated)

Right-of-use (ROU) assets

The changes in the carrying value of Right-of-use ROU assets for the year ended are as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	3.36	-
Addition -during the year	-	4.05
Depreciation of Right-of-use ROU assets	(1.82)	(0.69)
Adjustment on account of modification	0.56	-
Closing Balance	2.10	3.36

The lease agreements do not have any restrictive onerous clauses, other than that those normally prevalent in similar agreements for use of assets, rent escalation, and lease renewal.

41 Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:		
Principal amount due to micro and small enterprises	107.28	34.20
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

42 Segment reporting

A. Basis for Segmentation

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available.

The board of directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.

The Company's board reviews the results of each segment on a quarterly basis. The company's board of directors uses Profit after tax ('PAT') to assess the performance of the operating segments. Accordingly, there is only one reportable segment for the Company which is "Sale of Product", hence, no specific disclosures have been made.

(All amounts are in Rupee million, unless otherwise stated)

Entity wide disclosures

B. Information about reportable segments

The Company deals in one business segment namely Manufacturing of LED Lighting therefore, product wise revenue disclosures are not applicable to the Company.

Information about geographical areas

Company operates primarily under a single geographic location i.e. India and accordingly, there are no separate reportable geographical segments.

C. Revenue from Major customer.

In IKIO lighting limited, Revenue generated from one customer amounting to Rs. 2257.98 Million (March 31, 2022: Rs 206.03 million)

43 Employee Benefits

The Company contributes to the following post-employment defined benefit plans in India.

1. Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, administered and managed by the government of India. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to provident fund	8.68	6.49

2. Defined benefit plan:

Gratuity

"The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. The gratuity liability is entirely unfunded.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognise each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. The following table set out the status of the defined benefit obligation:

Particulars	As at March 31, 2023	As at March 31, 2022
Net defined benefit liability		
Gratuity (Unfunded)	7.67	5.42
Total employee benefit liabilities	7.67	5.42
Non-current	7.14	5.36
Current	0.53	0.06

(All amounts are in Rupee million, unless otherwise stated)

B. Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance at the beginning of the Year	5.42	-	5.42	4.04	-	4.04
Included in profit or loss						
Current service cost	2.78	-	2.78	2.53	-	2.53
Interest cost (income)	0.50	-	0.50	0.37	-	0.37
	3.28	-	3.29	2.90	-	2.90
Included in OCI						
Remeasurements loss (gain)						
Actuarial loss (gain) arising from:						
Financial assumptions	0.10	-	0.10	(0.35)	-	(0.35)
Demographic assumptions	0.49	-	0.49	-	-	-
Experience adjustment	(1.62)	-	(1.62)	(1.17)	-	(1.17)
	(1.03)	-	(1.03)	(1.52)	-	(1.52)
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Balance at the end of the year	7.67	-	7.68	5.42	-	5.42

Expenses recognised in the Statement of profit and loss	Year ended March 31, 2023	Year ended March 31, 2022
Service cost	2.78	2.53
Net interest cost	0.50	0.37

C. Plan Assets

The Company does not have any plant assets.

a) Economic Assumptions

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

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.34%	7.44%
Expected rate of future salary increase	5.00%	5.00%

The discount rate has been assumed at March 31, 2023: 7.34% (March 31, 2022: 7.44%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(All amounts are in Rupee million, unless otherwise stated)

b) Demographic assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Retirement Age	60 Years	58 Years
Employee Turnover/ Withdrawal Rate	6%	3%
Mortality rates inclusive of provision for disability	IALM(2012-14)	IALM(2012-14)

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amount shown below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.75)	0.90	(0.73)	0.91
Salary escalation rate (1% movement)	0.90	(0.78)	0.86	(0.71)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality is not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

"Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- i. Salary Increases- More than expected increase in the future salary levels may result in increase in the liabilities.
- ii. Discount Rate: In case of yield on the government bonds drops in the future period then it may result in increase in liability.
- iii. Withdrawals – if the actual withdrawal rate turns out to be more or less than expected then it may result in increase in the liabilities.
- iv. Mortality - if the actual mortality rate in the future turns out to be more or less than expected then it may result in increase in the liabilities.

E. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at March 31, 2023	As at March 31, 2022
Duration of defined benefit obligation		
Less than 1 year	0.53	0.06
Between 1 - 2 years	0.43	0.11
Between 2 - 5 years	1.65	0.91
Over 5 Years	5.06	4.34
Total	7.67	5.42

(All amounts are in Rupee million, unless otherwise stated)

44 Related Party Disclosure

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

a) List of related parties to whom transaction entered during the period

Relationship	Name of related party
Wholly Owned Subsidiary	Fine Technologies (India) Private Limited (Since September 12, 2022) IKIO Solutions Private Limited (Since September 12, 2022)
Wholly Owned Step Down Subsidiary	Royalux Lighting Private Limited (Since September 12, 2022) Royalux Exports Private Limited (Since September 12, 2022)
Enterprises in which Key Management Personnel and their relatives are able to exercise significant influence*	Raina Metal Tech Private Limited Fine Technologies (India) Private Limited (Till September 11, 2022) IKIO Solutions Private Limited (Till September 11, 2022) Royalux Lighting Private Limited (Till September 11, 2022) Royalux Exports Private Limited (Till September 11, 2022) Inko Technologies IKIO LED LIGHTING LLC Krishna Computech International Private Limited
Key Managerial Personnel	Mr. Hardeep Singh Mrs. Surmeet Kaur Mr. Sanjeet Singh Subhash Chand Agrawal (Chief Financial Officer) Sandeep Kumar Agarwal (Company Secretary)
Relative of Key Managerial Personnel	Mrs. Ishween Kaur

* With whom significant transactions have been taken place during the current and/or previous year

b) Details of related party transactions are as below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Transaction during the year		
Purchases & others		
Fine Technologies (India) Private Limited	264.80	237.20
Inko Technologies	-	1.97
Royalux Lighting Private Limited	19.40	25.55
Purchases of Property, Plant and Equipment		
Fine Technologies (India) Private Limited	13.07	-
Director's remuneration (including KMP's)		
Mr. Hardeep Singh	17.37	85.00
Mrs. Surmeet Kaur	8.30	19.50
Mr. Sanjeet Singh	2.81	19.50
Mr. Subhash Chand Agrawal	4.00	0.60
Mr. Sandeep Kumar Agarwal	1.65	0.18
Rent expenses		
Raina MetalTech Private Limited	2.26	2.54
Loan given during the year		
Fine Technologies (India) Private Limited	260.50	-
IKIO Solutions Private Limited	258.50	-
Royalux Exports Private Limited	74.29	-

(All amounts are in Rupee million, unless otherwise stated)

Expenses paid on behalf of Company by

Raina MetalTech Private Limited	-	0.40
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Investment in subsidiaries during the year

Fine Technologies (India) Private Limited	129.60	-
IKIO Solutions Private Limited	0.50	-

Sale of product

Fine Technologies (India) Private Limited	2.45	6.17
Royalux Exports Private Limited	5.61	21.56
Royalux Lighting Private Limited	10.82	14.56
Hardeep Singh	-	0.12
IKIO LED LIGHTING LLC	0.10	-
Krishna Computech International Private Limited	0.03	-

Sale of Fixed Assets

Fine Technologies (India) Private Limited	0.22	-
Royalux Exports Private Limited	2.12	-
Royalux Lighting Private Limited	0.08	-

Interest Income

Fine Technologies (India) Private Limited	10.99	-
IKIO Solutions Private Limited	1.56	-
Royalux Exports Private Limited	1.66	-

Receipt of Loan Given

Fine Technologies (India) Private Limited	17.50	-
IKIO Solutions Private Limited	152.00	-
Royalux Exports Private Limited	9.50	-

c) Balance outstanding with or from related parties as:-

	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Royalux Exports Private Limited	1.14	18.93
IKIO LED LIGHTING LLC	0.11	-
Raina MetalTech Private Limited	0.18	-
Royalux Lighting Private Limited	0.52	-
Krishna Computech International Private Limited	0.01	-
Trade payables		
Fine Technologies (India) Private Limited	65.99	1.16
Raina MetalTech Private Limited	-	0.19
Royalux Lighting Private Limited	-	2.03
Other receivable		
Royalux Exports Private Limited	17.05	-
Security deposit given		
Raina MetalTech Private Limited	0.36	-
Interest accrued on loan given		
Fine Technologies (India) Private Limited	3.52	-
IKIO Solutions Private Limited	1.40	-
Royalux Exports Private Limited	1.49	-
Loan given		
Fine Technologies (India) Private Limited	243.00	-
IKIO Solutions Private Limited	106.50	-
Royalux Exports Private Limited	64.79	-
Other payable (Salary payable)		
Mr. Hardeep Singh	0.21	3.37
Mrs. Surmeet Kaur	0.66	1.00
Mr. Sanjeet Singh	0.16	0.95

(All amounts are in Rupee million, unless otherwise stated)

Other payable (Salary payable)

Mr. Subhash Chand Agrawal	0.33	-
Mr. Sandeep Kumar Agarwal	0.14	-

Security taken from

IKIO Solutions Private Limited	150.00	-
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Corporate/ Personal guarantees taken from

IKIO Solutions Private Limited	150.00	44.63
Mr. Hardeep Singh	164.21	-
Mrs. Surmeet Kaur	164.21	-
Mr. Sanjeet Singh	164.21	-
Mrs. Ishwenn Kaur	75.05	-

Corporate guarantees given to

IKIO Solutions Private Limited	144.85	149.22
Fine Technologies (India) Private Limited	31.66	-

d) Terms and conditions of transactions with the related parties

- The terms and conditions of the transactions with key management personnel were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.
- All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

45 Earnings in Foreign Currency

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
F.O.B. value of exports	4.19	24.50

46 Expenditure in Foreign Currency

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw material	819.60	828.00

47 Fair value measurement and financial instruments**a) Financial instruments - by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their level in the fair value hierarchy.

As at March 31, 2023

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Loans	-	-	129.00	129.00	-	-	-
Other- Security deposit	-	-	1.60	1.60	-	-	-
Current							
Trade receivables	-	-	163.10	163.10	-	-	-
Cash and cash equivalents	-	-	0.70	0.70	-	-	-
Loans	-	-	285.29	285.29	-	-	-
Others	-	-	7.20	7.20	-	-	-
Total	-	-	586.89	586.89	-	-	-

(All amounts are in Rupee million, unless otherwise stated)

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial liabilities							
Non-current							
Borrowings	-	-	3.42	3.42	-	-	-
Lease Liabilities	-	-	0.37	0.37	-	-	-
Current							
Borrowings	-	-	240.93	240.93	-	-	-
Lease Liabilities	-	-	1.60	1.60	-	-	-
Trade Payables	-	-	181.51	181.51	-	-	-
Other Financial Liabilities	-	-	22.15	22.15	-	-	-
Total	-	-	449.98	449.98	-	-	-

As at March 31, 2022

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial Assets							
Non-current							
Investments	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Other- Security deposit	-	-	1.63	1.63	-	-	-
Current							
Trade receivables	-	-	259.69	259.69	-	-	-
Cash and cash equivalents	-	-	6.50	6.50	-	-	-
Others	-	-	1.09	1.09	-	-	-
Total	-	-	268.91	268.91	-	-	-
Financial Liabilities							
Non-current							
Borrowings	-	-	11.08	11.08	-	-	-
Lease Liabilities	-	-	1.91	1.91	-	-	-
Current							
Borrowings	-	-	147.22	147.22	-	-	-
Lease Liabilities	-	-	1.40	1.40	-	-	-
Trade payables	-	-	140.27	140.27	-	-	-
Other Financial Liabilities	-	-	30.51	30.51	-	-	-
Total	-	-	332.39	332.39	-	-	-

Level 1: It includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and

(All amounts are in Rupee million, unless otherwise stated)

liabilities, approximates the fair values, due to their short-term nature. Fair value of non-current financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Valuation processes

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

b) Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest Rate Risk

Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the Company.

The Company's Risk Management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk Management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has policies covering specific areas, such as Interest Rate Risk, Foreign Currency Risk, Other Price Risk, Credit Risk, Liquidity Risk, and the use of Derivative and Non-Derivative Financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables	163.10	259.69
Cash and cash equivalents	0.70	6.50
Loans	285.29	-
Others	8.80	2.72

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customer and investments. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic Credit Rating agencies.

The maximum exposure to the Credit Risk at the reporting date is primarily from Trade Receivables. Trade Receivables are Unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance.

(All amounts are in Rupee million, unless otherwise stated)

Movement in the allowance for impairment in respect of trade receivables:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	0.30	0.92
Impairment loss recognized / (reversed)	1.14	(0.62)
Amount written off	-	-
Balance at the end	1.44	0.30

ii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of Rs 0.70 millions as at March 31, 2023 (March 31, 2022 Rs. 6.50 millions) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent Liquidity Risk Management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As At March 31, 2023

Particulars	Carrying Amount	Contractual Cash Flows			
		Less than one Year	Between one year to five years	More than five year	Total
Non Current					
Non current borrowings	3.42	-	3.42	-	3.42
Lease liabilities	0.37	-	0.37	-	0.37
Current					
Borrowings	240.93	240.93	-	-	240.93
Lease liabilities	1.60	1.60	-	-	1.60
Trade payables	181.51	181.14	0.37	-	181.51
Other financial liabilities	22.15	22.15	-	-	22.15
Total	449.98	445.83	4.16	-	449.98

(All amounts are in Rupee million, unless otherwise stated)

As At March 31, 2022

Particulars	Carrying Amount	Contractual cash flows			
		Less than one Year	Between one year to five years	More than five year	Total
Non Current					
Non current borrowings	11.08	-	11.08	-	11.08
Lease liabilities	1.91	-	1.91	-	1.91
Current					
Borrowings	147.22	147.22	-	-	147.22
Lease liabilities	1.40	1.40	-	-	1.40
Trade payables	140.27	140.03	0.24	-	140.03
Other financial liabilities	30.51	30.51	-	-	30.51
Total	332.39	319.16	13.23	-	332.15

iii. Market Risk

Market Risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of risk: Interest Rate Risk, Currency Risk and other Price Risk, the Company mainly has exposure to two type of Market Risk namely: Currency Risk and Interest Rate Risk. The objective of Market Risk Management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency Risk

Currency Risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Company enters into forward currency contracts to neutralise any foreign currency fluctuation risk.

Exposure to Currency Risk

The summary of quantitative data about the company exposure to currency risk, as expressed in Indian Rupees as at March 31, 2023 and March 31, 2022

Particular	As at March 31, 2023			
	Currency	Amount	Currency	Amount
Financial Assets				
Trade Receivables	INR	2.93	USD	0.04
Financial Liabilities				
Trade Payable	INR	32.70	USD	0.40

Particular	As at March 31, 2022			
	Currency	Amount	Currency	Amount
Financial Assets				
Trade Receivables	INR	14.5	USD	0.19
Financial Liabilities				
Trade Payable	INR	20.54	USD	0.27

(All amounts are in Rupee million, unless otherwise stated)

Interest Rate Risk

Interest rate Risk is the Risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main Interest Rate Risk arises from long-term borrowings with variable rates, which expose the Company to cash flow Interest Rate Risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans and cash credit from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments

Particulars	As at March 31, 2023	As at March 31, 2022
Term Loan	7.35	11.55
Cash Credit	233.28	137.41
Total	240.63	148.96

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit & Loss		Equity, Net of Tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loans from banks				
For the period ended March 31, 2023	(1.20)	1.20	(0.90)	0.90
For the year ended March 31, 2022	(0.74)	0.74	(0.56)	0.56

48 Capital Management

For the purpose of the Company's capital management, capital includes issued Equity Share Capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the Capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the Capital Structure, the Company may return Capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to total equity, which is calculated as interest-bearing debts divided by total equity (equity attributable to owners of the parent).

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	244.35	158.30
Less : Cash and cash equivalent	(0.70)	(6.50)
Adjusted net debt (A)	243.65	151.80
Total equity (B)	1,011.62	764.41
Adjusted net debt to total equity ratio (A/B)	0.24	0.20

(All amounts are in Rupee million, unless otherwise stated)

49 Ratio Analysis Disclosure

Ratios	Formula	As at March 31, 2023		As at March 31, 2022		% change
		Amount	Ratios	Amount	Ratios	
Current Ratio	Current Assets	1,043.22	2.22	937.26	2.75	-19.30%
	Current Liabilities	470.11		340.84		
Debt Equity Ratio (Refer note i)	Total Debt	244.35	0.24	158.30	0.21	16.64%
	Total Shareholders Equity	1,011.62		764.41		
Debt Service Coverage Ratio (Refer note ii)	Earnings available for debt services	415.71	1.39	409.74	2.69	-48.11%
	Debt services* ¹	298.28		152.56		
Return on Equity Ratio	Net Profit to Equity Shareholder's* ²	247.21	0.28	281.25	0.45	-38.26%
	Average shareholder's equity	888.02		623.79		
Inventory Turnover Ratio	Cost of Goods Sold	1,755.79	3.49	1,455.44	3.31	5.33%
	Average Inventory	502.99		439.16		
Trade Receivable Turnover Ratio (Refer note iii)	Credit Sales	2,413.59	11.42	2,198.95	10.57	8.02%
	Average Account Receivables	211.39		208.04		
Trade Payable Turnover Ratio (Refer Note iv)	Credit Purchases	1,637.23	10.18	1,709.45	10.83	-6.04%
	Average Account Payables	160.89		157.84		
Net Capital Turnover Ratio (Refer Note v)	Sales	2,413.59	2.77	2,198.95	3.41	-18.78%
	Average Working Capital	871.32		644.74		
Net Profit Ratio	Net Profit	329.32	0.14	379.93	0.17	-21.03%
	Sales	2,413.59		2,198.95		
Return on Capital Employed (pre tax)	EBIT*100	386.67	0.31	385.27	0.42	-26.27%
	Capital Employed	1,255.97		922.71		

*1 Finance Cost+Short term debt(including current maturities of long term debt)+ Current Lease Liability

*2 Net Profit after Taxes

- a. Debt Service Coverage Ratio:- The Ratio has increased due to increase in borrowing
- b. Return on Equity Ratio:- Decrease due to issue of shares during the last year.
- c. Return on Capital Employed (pre tax):- Decrease due to issue of shares in last year and increase in borrowing during the year.

(All amounts are in Rupee million, unless otherwise stated)

50 Deferred Tax Asset (Net)

A. Amounts recognised in Profit or Loss

Particulars	As at March 31, 2023	As at March 31, 2022
Current Tax Expense		
Current year	85.56	99.11
Adjustment for prior years	0.05	1.14
	85.61	100.25
Deferred Tax Charge/Credit		
Change in recognised temporary differences	(2.71)	(0.42)
Total Tax Expense	82.90	99.83

B. Amounts recognised in Other Comprehensive Income

Particulars	As at March 31, 2023			As at March 31, 2022		
	Before Tax	Tax	Net of Tax	Before Tax	Tax	Net of Tax
Remeasurements of defined benefit liability	1.05	(0.26)	0.79	1.53	(0.38)	1.15

C. Reconciliation of Effective Tax Rate

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rate	Amount	Rate	Amount
Profit before Tax	25.17%	329.32	25.17%	379.93
Tax using the Company's domestic tax rate (A)		82.88		95.62
Tax effect of:				
Non-deductible expenses	(3.16)		(4.75)	
Non-taxable income	0.48		(0.08)	
Others	-		(0.94)	
Deferred Tax	2.71		0.42	
Prior year errors/adjustment	(0.05)		1.14	
Total (B)		(0.02)		(4.21)
(A)-(B)		82.90		99.83

(All amounts are in Rupee million, unless otherwise stated)

D. Movement in Deferred Tax Balances

Particulars	As at April 01, 2022	Recognised in PL	Recognised OCI	As at March 31, 2023
Deferred Tax Assets				
Property, plant and equipment and intangibles	2.73	0.58	-	3.31
Employee benefits	3.10	0.11	(0.26)	2.94
Lease liabilities	(0.83)	1.33	-	0.50
Sub- Total (a)	5.00	2.01	(0.26)	6.75
Deferred Tax Liabilities				
Right of use assets	(0.85)	0.32	-	(0.53)
Other financial assets	-	0.01	-	0.01
Trade Receivables	-	0.36	-	0.36
Sub- Total (b)	(0.85)	0.69	-	(0.16)
Net Deferred Tax Asset (a)+(b)	4.15	2.71	(0.26)	6.58

Particulars	As at April 01, 2022	Recognised in P&L	Recognised OCI	As at March 31, 2022
Deferred Tax Assets				
Property, plant and equipment & intangibles	2.34	0.39	-	2.73
Employee benefits	1.77	1.71	(0.38)	3.10
Lease liabilities	-	(0.83)	-	(0.83)
Sub- Total (a)	4.11	1.26	(0.38)	5.00
Deferred Tax Liabilities				
Right of use assets	-	(0.85)	-	(0.85)
Other financial assets	(0.00)	0.00	-	-
Sub- Total (b)	(0.00)	(0.85)	-	(0.85)
Net Deferred Tax Asset (a)+(b)	4.11	0.42	(0.38)	4.15

(All amounts are in Rupee million, unless otherwise stated)

51 Details with respect to the Benami Properties:

No proceedings have been initiated or pending against the entity under the Benami Transactions (prohibition) Act, 1988 for the year ended March 31, 2023 and year ended March 31, 2022.

52 Undisclosed income

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

53. Details of Crypto Currency or Virtual Currency

Profit or loss on transactions involving Crypto currency or Virtual Currency	No transaction during the year
Amount of currency held as at the reporting date	No transaction during the year
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No transaction during the year

54 Disclosure under Rule 11(e) and Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014

Loan Given to Subsidiaries

Date of Funds Given	Amount of Fund given to intermediary party	Details of each intermediary parties	Date of funds further invested	Amount of fund further invested in other ultimate beneficiaries	Details of Ultimate Beneficiaries
September 12, 2022	189.00	Fine Technologies (India) Private Limited	September 12, 2022	189.00	i) Mr. Hardeep Singh, ii) Mr. Sanjeet Singh, iii) Mrs. Surmeet Kaur

55 Wilful Defaulter:

No Bank or Financial Institution has declared the company as "Wilful defaulter".

56 Relationship with Struck off Companies:

No transaction has been made with the company struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2023 and year ended March 31, 2022.

57 Registration of charges or satisfaction with Registrar of Companies:

All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending for the year ended March 31, 2023 and year ended March 31, 2022.

58 Compliance with number of layers of companies:

Where the company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

59 Loan or advances granted to the Promoters, Directors and KMPs and the related parties:

No loan or advances in the nature of loans are granted to the Promoters, Directors, Key Managerial Persons and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are:

- a) repayable on demand or
- b) without specifying any terms or period of repayment

(All amounts are in Rupee million, unless otherwise stated)

60 Figures less than Rs. 5000 are disclosed as 0.00.

61 Previous year's figures have been regrouped / reclassified as per the current year presentation for the purpose of comparability.

For BGJC & Associates LLP
Chartered Accountants
Firm's Registration Number: 003304N/N500056

Pranav Jain
Partner
Membership Number. 098308

Place: Noida
Date: August 04, 2023

For and on behalf of the Board of Directors of
IKIO Lighting Limited

Hardeep Singh
Managing Director
DIN: 00118729

Subhash Agrawal
CFO

Surmeet Kaur
Whole Time Director
DIN: 00118695

Sandeep Agarwal
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of

IKIO Lighting Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of IKIO Lighting Limited (formerly IKIO Lighting Private Limited) (the "Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year ended on that date of the Holding Company and for the period September 12, 2022 to March 31, 2023 of the subsidiaries ("the Period"), and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, the consolidated profit, total Consolidated Comprehensive Income, the consolidated Changes in Equity and consolidated Cash Flows for the period ended on that date.

Basis for Opinion

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

on the Consolidated Financial Statements.

Information other than the financial statements and Auditor's report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's Report thereon.

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

In connection with our audit of the consolidated financial Statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the Consolidated Financial statements or our knowledge obtained during the course of our Audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows of the Group in accordance with Ind AS and other Accounting Principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of the adequate Accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of

the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(If the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are

companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of Accounting Policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Statements.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the paragraph 3(xxi) of Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, based on our audit and on the consideration of report on separate financial statements of subsidiary companies incorporated in India, we give in the 'Annexure 1' a statement on the matters specified in paragraph 3(xxi) of the Order.

- (1) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid Consolidated Financial Statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Holding Company so far as it appears from our examination of those books;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act;
 - e. On the basis of written representations received from the Directors of the Holding Company and Subsidiary Companies as on March 31, 2023, and taken on record by the respective Board of Directors and none of the Directors of the Group is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls of the Consolidated Financial Statements, we give our separate Report in "Annexure 2".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiary companies to its directors during the year is in accordance with the provisions of section 197 of the Act;

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Holding Company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 39 on Contingent Liabilities to the consolidated Financial Statements;
 - (ii) The Group did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
 - (iv)
 - a. The respective Management of the Holding company and its subsidiaries have represented that, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Companies in the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The respective Management of the Holding company and its subsidiaries have represented that, to the best of its knowledge and belief and, no funds (which are material either individually or in the aggregate) have been received by the Company or its subsidiaries, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in

any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- (v) The Group has not declared or paid any dividend during the period and until date of this report.
- (vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is mandatory only w.e.f.

April 1, 2023, for the Group, reporting under this clause is not applicable.

For BGJC & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Sd/-
Pranav Jain

Partner

Date: August 04, 2023 Membership No. 098308
Place: Noida UDIN: 23098308BGVLYG2080

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

IKIO Lighting Limited (formerly IKIO Lighting Private Limited) ("the Company"). In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of Audit and to the best of our knowledge and belief, and based on the consideration of report of the respective Auditors of the Associate companies incorporated in India, we state that:

- (xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors' Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements are:

S.No.	Name	CIN	Relation	Clause number of the CARO report which is qualified or is adverse
1.	Royalux Exports Private Limited	U31909DL2021PTC390952	Subsidiary	xi

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Pranav Jain
Partner
Membership No. 098308

UDIN: 23098308BGVLYG2080

Date: August 04, 2023
Place: Noida

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of IKIO Lighting Limited (formerly IKIO Lighting Private Limited) on the Consolidated Financial Statements for the year ended March 31, 2023]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of IKIO Lighting Limited (formerly IKIO Lighting Private Limited) ("the Holding Company"), its subsidiaries (together referred to as the "Group") whose audit reports have been provided to us and which are companies incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our Audit and based on the consideration of the reports of other Auditors on separate audited financial statements of the associates as referred to in the Other Matters paragraph in the Independent Auditor's Report of even date. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained including consideration of the reports of other auditors on separate audited financial statements of the associates, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its two associates' internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of

unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For BGJC & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Date: August 04, 2023
Place: Noida

Sd/-
Pranav Jain
Partner
Membership No. 098308
UDIN: 23098308BGVLYG2080

Consolidated Balance Sheet

AS AT 31 MARCH, 2023

(All amounts are in Rupee million, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023
Assets		
Non-current assets		
Property, plant and equipment	3	313.08
Right of use assets	4	331.06
Capital work-in-progress	5	269.01
Goodwill	6	4.94
Other intangible assets	7	0.82
Financial assets		
(i) Other financial assets	8	5.80
Deferred tax assets (net)	9	12.84
Non current tax assets (net)	10	6.41
Other non current assets	11	27.46
Total non-current assets		971.42
Current assets		
Inventories	12	1,206.26
Financial assets		
(i) Trade receivables	13	726.84
(ii) Cash and cash equivalents	14	23.06
(iii) Bank balances other than cash and cash equivalents	15	7.05
(iv) Other financial assets	16	3.52
Other current assets	17	171.46
Total current assets		2,138.19
Total assets		3,109.61
Equity and liabilities		
Equity		
Equity share capital	18	650.00
Other equity	19	771.61
Total equity		1,421.61
Non-current liabilities		
Financial liabilities		
(i) Borrowings	20	11.78
(ii) Lease liabilities	21	77.92
Provisions	22	23.45
Total non-current liabilities		113.15
Current liabilities		
Financial liabilities		
(i) Borrowings	23	1,135.41
(ii) Lease liabilities	24	2.45
(iii) Trade payables	25	
- total outstanding dues of micro and small enterprises; and		88.30
- total outstanding dues of creditors other than micro and small enterprises		152.38
(iv) Other financial liabilities	26	109.65
Other current liabilities	27	60.79
Provisions	28	3.16
Current tax liabilities (net)	29	22.71
Total current liabilities		1,574.85
Total liabilities		1,688.00
Total equity and liabilities		3,109.61

Summary of significant accounting policies

1 & 2

The accompanying notes are an integral part of these Consolidated financial statements.

As per our report of even date.

For BGJC & Associates LLP

Chartered Accountants

Firm's Registration Number: 003304N/N500056

Pranav Jain

Partner

Membership Number. 098308

Place: Noida

Date: August 04, 2023

**For and on behalf of the Board of Directors of
IKIO Lighting Limited**

Hardeep Singh

Manging Director

DIN: 00118729

Subhash Agrawal

CFO

Surmeet Kaur

Whole Time Director

DIN: 00118695

Sandeep Agarwal

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts are in Rupee million, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023
Income		
Revenue from operations	30	3,587.65
Other income	31	31.67
Total income		3,619.32
Expenses		
Cost of materials consumed	32	2,253.62
Change in inventories	33	48.96
Employee benefits expense	34	308.20
Finance costs	35	90.36
Depreciation and amortisation expense	36	57.87
Other expenses	37	202.06
Total expenses		2,961.07
Profit before tax		658.25
Tax Expenses	52	
Current tax (including related to earlier years)		162.99
Deferred tax charge/ (credit)		(5.12)
		157.87
Profit after tax		500.38
Other comprehensive income		
Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit plans		1.90
- Income tax relating to these items		(0.40)
Other comprehensive income for the year, net of tax		1.50
Total comprehensive income for the year		501.88
Earnings per equity share (in Rs.):	38	
Nominal value per share		
-Basic (Rs.)		7.70
-Diluted (Rs.)		7.70
Summary of significant accounting policies	1 & 2	

The accompanying notes are an integral part of these Consolidated financial statements.

As per our report of even date.

For BGJC & Associates LLP
 Chartered Accountants
 Firm's Registration Number: 003304N/N500056

Pranav Jain
 Partner
 Membership Number. 098308

Place: Noida
 Date: August 04, 2023

For and on behalf of the Board of Directors of
IKIO Lighting Limited

Hardeep Singh
 Managing Director
 DIN: 00118729

Subhash Agrawal
 CFO

Surmeet Kaur
 Whole Time Director
 DIN: 00118695

Sandeep Agarwal
 Company Secretary

Consolidated Cash flow Statement

for the year ended March 31, 2023

(All amounts are in Rupee million, unless otherwise stated)

Particulars	Year ended March 31, 2023
A. Cash flow from operating activities	
Net profit before tax	658.25
Adjustments for:	
Depreciation and amortisation	57.87
Finance cost	85.24
Interest Income	(0.86)
Export incentive	(0.01)
Finance income on amortisation of security deposit	(0.10)
Gain on derecognition of lease	(2.18)
Sundry balance written off	6.15
Net gain on foreign currency transactions	(16.48)
Provisions no longer required written back	(2.85)
Profit on sale of property, plant & equipment	(0.11)
Provision for Expected credit Loss	(2.29)
Operating profit before working capital changes	782.63
Changes in assets and liabilities:	
Inventories	49.58
Trade receivables	181.10
Other financial assets	(4.42)
Other assets	41.20
Trade payables	(271.87)
Other financial liabilities	37.56
Other current liabilities	(62.12)
Provisions	4.27
Cash generated from operations	757.93
Taxes and interest thereon paid	(189.79)
Net cash generated from operating activities	(A) 568.14
B. Cash flow from investing activities:	
Purchase of Property, plant and equipment, Other intangible assets and CWIP (including capital advances)	(196.50)
Proceeds from sale of Property, plant and equipment	2.49
Investment for equity shares of subsidiary company (refer note-51)	(319.35)
Movement in bank deposits	14.02
Interest received	0.82
Net cash used in from investing activities	(B) (498.52)

Consolidated Cash Flow Statement (contd.)

for the year ended March 31, 2023

(All amounts are in Rupee million, unless otherwise stated)

Particulars	Year ended March 31, 2023		
C. Cash flow from financing activities:			
Net (decrease) in long term borrowings from banks	(85.06)		
Net increase in short term borrowings from banks	101.38		
Net increase in short term borrowings from directors and KMP	17.08		
Net increase in short term borrowings from corporate and other	(19.28)		
Payment of lease liabilities (refer reconciliation)	(11.09)		
Interest paid	(80.48)		
Net cash used in financing activities	(C) (77.45)		
Cash and cash equivalents acquired pursuant to business combination	24.39		
Net increase in cash and cash equivalents	(A+B+C) 16.56		
Cash and cash equivalents (refer to note 13)			
-at beginning of the year	6.5		
-at end of the year	23.06		
Notes to cash flow statement			
(i) Cash and cash equivalents comprise			
Balances with banks:			
- On current accounts	20.95		
Cash on hand	2.11		
	23.06		
(ii) *Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:			
	Non Current Borrowings (including Current Maturities)	Current Borrowings	Lease Liabilities
Balance as at April 1, 2022	20.89	137.41	3.32
Additions pursuant to business combination	262.86	711.91	88.45
Loan drawals/interest accrued during the year	163.08	7,723.24	6.57
Loan repayments/interest payment during the year	(270.61)	(7,601.58)	(11.09)
Adjustment on account of modification/closure of lease	-	-	(6.87)
Balance as at March 31, 2023	176.22	970.97	80.37

(iii). The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.

The accompanying notes are an integral part of these Consolidated financial statements.

As per our report of even date.

For BGJC & Associates LLP

Chartered Accountants
Firm's Registration Number: 003304N/N500056

Pranav Jain
Partner
Membership Number. 098308

Place: Noida
Date: August 04, 2023

**For and on behalf of the Board of Directors of
IKIO Lighting Limited**

Hardeep Singh
Managing Director
DIN: 00118729

Subhash Agrawal
CFO

Surmeet Kaur
Whole Time Director
DIN: 00118695

Sandeep Agarwal
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in Rupee million, unless otherwise stated)

A Equity Share Capital*

Particulars	Amount
Balance as at April 01, 2022	250.00
Change in equity share capital during the year	-
Issue of bonus shares	400.00
Balance as at March 31, 2023	650.00

B. Other Equity**

Particulars	Reserve & Surplus		Other comprehensive income	Total
	Retained Earnings	Capital Reserve		
Balance as at April 01, 2022	512.46	-	1.95	514.41
Profit for the year	500.38	-	-	500.38
Other comprehensive Income	-	-	1.50	1.50
Capital Reserve created on acquisition of subsidiaries	-	155.32	-	155.32
Total Comprehensive Income	500.38	155.32	1.50	657.20
Issue of Bonus Share	(400.00)	-	-	(400.00)
Balance as at March 31, 2023	612.84	155.32	3.45	771.61

**The accompanying notes 18 and 19 are integral part of these consolidated financial statements.

For BGJC & Associates LLP

Chartered Accountants

Firm's Registration Number: 003304N/N500056

Pranav Jain

Partner

Membership Number. 098308

For and on behalf of the Board of Directors of IKIO Lighting Limited

Hardeep Singh

Managing Director

DIN: 00118729

Surmeet Kaur

Whole Time Director

DIN: 00118695

Place: Noida

Date: August 04, 2023

Subhash Agrawal

CFO

Sandeep Agarwal

Company Secretary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Background

IKIO Lighting Limited (formerly IKIO Lighting Private Limited) ("the Company / Parent") and Companies/entity under common control of promoter (collectively referred to as "the Group") is a company domiciled in India, with its registered office situated at Delhi. The Company was incorporated in India on March 21, 2016. Subsequent to the year end, the Company has received approval from the Ministry of Corporate Affairs on April 18, 2022, for the change of name from IKIO Lighting Private Limited to IKIO Lighting Limited. The Group is a leading manufacturer of LED Lighting in India.

1. Basis of preparation

(i) Statement of compliance:

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

The Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2023, the consolidated Statement of Profit and Loss for the year ended 31 March 2023, the Consolidated Statement of Cash Flows for the year ended 31 March 2023 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements').

The Consolidated Financial statements of the Group for the year ended 31 March, 2023 have been approved by the Board of Directors in their meeting held on August 04, 2023.

(ii) Basis of preparation:

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis, except for:

- a) Certain financial assets and liabilities are measured at fair value.(Refer note 1(viii) for fair value) Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.
- b) Employees defined benefit obligation is reported as per actuarial valuation.

As the year-end figures are taken from the source and rounded to the nearest digits.

(iii) Basis of consolidation

IKIO Lighting Limited entities which it owns or controls. The Consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The Group consolidates the financial statements of the parent and its subsidiary on line by line basis adding together the items of assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiary are in consistency with the policies adopted by the Group.

The significant accounting policies adopted in the preparation of these financial statements are included in Note 2. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Parent Company have 100% control over its subsidiaries so there is no Non-controlling Interest.

(iv) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Business combinations arising from transfers of

interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity

(v) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Based on the above criteria, the Group have ascertained its accounting cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

(vi) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

(vii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit liability	Present value of defined benefit obligations.

Use of estimates and judgements

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note no 41: leases: whether an arrangement contains a lease;

- Note no 49: classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ending March 31, 2023 is included in the following notes:

- Note no 3: measurement of useful lives and residual values to property, plant and equipment;
- Note no 3 & 7: impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note no 7: measurement of useful lives of intangible assets;
- Note no 52: recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note no 39: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources;
- Note no 44: measurement of defined benefit obligations: key actuarial assumptions;
- Note no 49: Fair value measurement of financial instruments and impairment of financial assets.

(viii) Measurement of fair value

A number of accounting policies and disclosures require measurement of fair value for both financial and non-financial assets and liabilities.

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

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

The principal or the most advantageous market must be accessible to/ by the Group.

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

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

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

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

For the purpose of fair value disclosures, the Group have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(ix) Recent accounting pronouncements issued but not made effective

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

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

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1,

2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes

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

2.1 Summary of significant accounting policies

(i) Revenue

In recognising revenue, the Group applies Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard require apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five-step model.

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the Group expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

The Group earns revenue from sales of LED lighting and other related products

Revenue from sale of LED lighting

Revenue from Sale of LED lighting is recognized at the point of time upon transfer of control of promised goods to the customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods i.e. when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be reliably measured. Revenue is recognized at the fair value of the consideration received or receivable, which is generally the contracted price, net of any taxes/duties and discounts considering the impact of variable consideration.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Use of significant judgements in revenue recognition:-

- The performance obligation is satisfied upon delivery of the goods.
- At the time of entering into the agreement / raising an invoice, performance obligations in the contract are identified. The Company/Entity delivers goods as per terms & condition of the contract. Contracts are of differing natures and sometimes have one specific performance obligation, and on other occasions have multiple performance obligations. Contract liability has been created towards unsatisfied or partially satisfied performance obligation.
- Contract fulfilment costs are expensed as incurred.

Interest income

Interest income on time deposits and inter-corporate loans is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Other income

In respect of other heads of income, the Group follows the practice of recognising income on accrual basis.

(ii) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing

the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Subsequent expenditure

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using written down value method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

Tangible assets:	Useful lives (in years)
Building	60
Furniture and fixtures	8-10
Plant & Machinery	15
Office equipment	10
Vehicle	8-10
Computer equipment	3
Computer servers and networks	6

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

(iii) Intangible assets

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the Group and where its cost can be reliably measured.

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the written down value method and is included in depreciation and amortisation expense in the statement of profit and loss.

The useful lives of intangible assets are as follows:

Intangible assets:	Useful lives (in years)
Software	5

Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the statement of profit and loss.

(iv) Impairment of non-financial assets

The Group's non-financial assets, other than

inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or CGU's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(v) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(vi) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue, except for an item

recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI), or
- Fair value through profit and loss (FVTPL)

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above

are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group assess the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Group's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as

consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Offsetting

Financial assets and monetary liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

iv. Derecognition

Financial assets

The Group derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enter into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the

risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognise a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

v. Impairment of financial instruments:

The Group recognise loss allowances for expected credit losses on:-

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI-debt investments

At each reporting date, the Group assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for agreed credit period;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or another financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Expected credit loss::

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life

of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assume that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Group consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is past due and not recovered within agreed credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However,

financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(vii) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average.

The Cost comprises all costs of purchases and other costs incurred in bringing the inventory to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

(viii) Employee Benefits

Short term employee benefits:

Short term employee benefit obligations are measured on an undiscounted basis and are expenses off as the related services are provided. Benefits such as salaries, wages, and bonus etc. are recognised in the statement of profit and loss in the year in which the employee renders the related service. The liabilities are presented as current employee benefit obligation in the balance sheet.

Long term employee benefits

Defined contribution plan: Provident fund

All employees of the Group are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India. The Group has no further obligations under the plan beyond its monthly contributions. Obligation for contribution to defined contribution plan are recognised as an employee benefit expense in statement of profit and loss in the period during which the related services are rendered by the employees.

Defined Benefit Plan: Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group provide for retirement benefits in the form of Gratuity, which provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15

days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. Benefits payable to eligible employees of the Group with respect to gratuity is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost as at the balance sheet date. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the other comprehensive income. The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The Group's determine the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Actuarial gain and losses are recognised in the Other Comprehensive Income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised in the statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term benefits: Compensated absences

Benefits under the Group's compensated absences scheme constitute other employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation using the Projected Unit Credit Method. done by an independent actuary as at the balance sheet date. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss.

(ix) Income tax

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or

substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

(x) Contingent Liability, Contingent Asset and Provisions

Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Provisions

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(xi) Cash and cash equivalents

Cash and cash equivalents include cash on

hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

(xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period, unless they have been issued at a later date.

(xiii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Further:

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment.
2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallowable expenditure.

3. Income which relates to the Group as a whole and not allocable to segments is included in unallowable income.
4. Segment assets and liabilities include those directly identifiable with the respective segments. Unallowable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 43 for segment information.

(xiv) Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has substantially all the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset.

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes

its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group are an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Rupee million, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Gross block (at cost)					Accumulated depreciation					Net block
	As at April 1, 2022	Additions pursuant to business combination	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at April 1, 2022	Additions pursuant to business combination	For the year	Disposal/ Adjustment	As at March 31, 2023	
Building	33.76	-	-	-	33.76	5.63	-	2.67	-	8.30	25.46
Land	36.68	-	-	-	36.68	-	-	-	-	-	36.68
Plant & machinery	115.08	97.31	69.13	4.16	277.36	26.55	20.02	31.07	0.99	76.65	200.71
Furniture and fixtures	0.24	5.17	6.43	-	11.84	0.11	1.14	1.16	0.08	2.33	9.51
Vehicles	22.91	15.82	10.63	-	49.36	9.94	4.12	9.30	-	23.36	26.00
Office equipment	3.48	6.63	6.50	-	16.61	1.59	1.45	2.42	-	5.46	11.15
Computer	0.26	3.15	1.35	-	4.76	0.14	1.44	1.78	0.71	2.65	2.11
Lease hold property	-	-	1.54	-	1.54	-	-	0.08	-	0.08	1.46
	212.41	128.08	95.58	4.16	431.91	43.96	28.17	48.48	1.78	118.83	313.08

Footnote:

- (i) There are no impairment losses recognised during the year ended March 31, 2023.
- (ii) There are no exchange differences adjusted in property, plant & equipment.
- (iii) Refer note no 39 for capital commitments.
- (iv) The Group has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2023.
- (v) Refer note no 20 and 23 regarding hypothecation/pledge of Property, Plant and Equipment against the borrowings from banks.

(All amounts are in Rupee million, unless otherwise stated)

4 Right-of-use assets

Particulars	Amount
Gross carrying amount as at April 01, 2022	4.05
Additions pursuant to business combination	380.99
Addition during the year	1.80
Adjustment on account of modification	1.53
Reversal due to closure of lease agreement (Refer footnote)	6.22
Closing gross carrying amount March 31, 2023	382.15
Gross carrying amount as at April 01, 2022	0.69
Additions pursuant to business combination	41.15
Amortisation for the year	9.25
Reversal due to closure of lease agreement (Refer footnote)	-
Closing accumulated amortisation & impairment as on March 31, 2023	51.09
Net carrying amount as at March 31, 2022	3.36
Net carrying amount as at March 31, 2023	331.06

Note:

During the year ended March 31, 2023 , the Group recognised right of use assets as per Ind AS 116 Leases (Refer note no 41)

5 Capital work-in-progress

	As at March 31, 2023
Opening balance	-
Additions pursuant to business combination	180.94
Addition during the year:	
Building under construction	67.59
Interest Expense	13.23
Balance with government authorities	7.25
Balance as at March 31, 2023	269.01

Ageing schedule for capital work-in-progress as at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	175.32	52.90	39.23	1.56	269.01
Projects temporarily suspended	-	-	-	-	-
Total	175.32	52.90	39.23	1.56	269.01

There is no Capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan. Accordingly no disclosures are required.

6 Goodwill

	As at March 31, 2023
Carrying value at the beginning	-
Goodwill on business transfer (Refer to Note 51)	4.94
Carrying value at the year ended March 31, 2023	4.94

(All amounts are in Rupee million, unless otherwise stated)

7 Other intangible assets

Description	Gross block (at cost)					Accumulated depreciation					Net block As at March 31, 2023
	As at April 1, 2022	Additions pursuant to business combination	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at April 1, 2022	Additions pursuant to business combination	For the year	Disposal/ Adjustment	As at March 31, 2023	
Computer software	1.46	0.19	0.68	-	2.33	1.00	0.14	0.37	-	1.51	0.82
	1.46	0.19	0.68	-	2.33	1.00	0.14	0.37	-	1.51	0.82

Footnote:

- (i) There are no internally generated intangible assets.
- (ii) The group has not carried out any revaluation of intangible assets for the year ended March 31, 2023.
- (iii) There are no other restriction on title of intangible assets other than as already disclosed.
- (iv) There are no exchange differences adjusted in intangible assets.
- (v) The group have not acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.

8 Other financial assets (Non-current)

	As at March 31, 2023
Security deposit	5.75
Bank deposit	0.05
	5.80

9 Deferred tax assets (net)

	As at March 31, 2023
Deferred tax assets	12.84
	12.84

10 Non current tax assets (net)

	As at March 31, 2023
Income tax refundable (Net of cumulative provision for tax of current year)	6.41
	6.41

11 Other non current assets

	As at March 31, 2023
Balance with government authorities	16.32
Capital advances	10.47
Prepaid lease rent	0.52
Prepaid expenses	0.15
	27.46

(All amounts are in Rupee million, unless otherwise stated)

12 Inventories

**As at
March 31, 2023**
Valued at lower of cost and net realisable value, unless otherwise stated

Raw materials	944.05
Work-in-progress	153.98
Finished goods	106.36
Other	
(i) Stock in transit	1.87
	1,206.26

Inventories are pledged as security for borrowings taken from bank (refer note no 20 and 23)

13 Trade receivables

**As at
March 31, 2023**
Unsecured

Considered good	691.24
Having significant increase in credit risk	47.39
Less: provision for the expected credit loss	(11.79)
	726.84

Footnote:
Ageing Schedule for Trade Receivables

	Not Due	Outstanding as at March 31, 2023 from due date of payment					Total
		0-6 Months	6-12 months	1-2 Years	2-3 Years	> 3 years	
Unsecured:							
(i) Undisputed Trade receivables — considered good	152.05	373.74	158.82	6.63	-	-	691.24
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	-	35.85	6.80	1.44	3.30	47.39
(iii) Undisputed Trade receivables — credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables — credit Impaired	-	-	-	-	-	-	-
Less: provision for the expected credit loss	-	(0.69)	(5.38)	(1.70)	(0.72)	(3.30)	(11.79)
Total	152.05	373.05	189.29	11.73	0.72	-	726.84

The Group has measured expected credit loss of trade receivable based on simplified approach as per Ind AS 109 - Financial Instrument

1. For explanation on the Group credit risk management process, refer note 49.

2. Trade receivables are non interest bearing.

(All amounts are in Rupee million, unless otherwise stated)

14 Cash and cash equivalents

	As at March 31, 2023
Balances with banks	
-On current accounts	20.95
-Cash on hand	2.11
	23.06

For explanation on the Group credit risk management process, (refer note no. 49)

15 Bank balances other than cash and cash equivalents

	As at March 31, 2023
Bank deposit maturity period more than 3 months but less than 12 months	7.05
	7.05

For explanation on the Group credit risk management process, (refer note no. 49)

16 Other financial assets (Current)

	As at March 31, 2023
Security deposit	3.33
Interest accrued on bank deposits	0.04
Others recoverable	0.15
	3.52

For explanation on the Group credit risk management process, (refer note no. 49)

17 Other current assets

	As at March 31, 2023
IPO expenditure	74.30
Advances to supplier	65.13
Balance with government authorities	9.42
Prepaid expense	4.42
Advance salary and wages	0.57
Prepaid lease rent	0.08
Other assets	17.54
	171.46

(All amounts are in Rupee million, unless otherwise stated)

18 Equity share capital

a) The Company has only one class of share capital having a par value of Rs. 10 per share, referred to herein as equity shares.

Particulars	As at March 31, 2023	
	Number	Amount in (Rs.)
Authorised Shares		
Equity shares of 10 each	100000000	1,000.00
	100000000	1,000.00
Issued, subscribed and fully paid-up shares		
Equity shares of 10 each	65000000	650.00
	65000000	650.00

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

Particulars	As at March 31, 2023	
	Number	Amount in (Rs.)
Equity Shares		
Shares outstanding at the beginning of the year	25000000	250.00
Add: Issue of Bonus Shares	40000000	400.00
Shares outstanding at the end of the year	65000000	650.00

c. Terms/rights attached to equity share

Voting

Each holder of equity shares is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual general meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current year and previous year.

Liquidation

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

d. Detail of shareholders holding more than 5% of equity share of the Company

Name of shareholder	As at March 31, 2023	
	Holding in numbers	% of total equity shares
Equity shares of Rs. 10 each fully paid up held by :-		
Hardeep Singh	38999142	59.99%
Surmeet Kaur	26000000	40.00%

e. Aggregate number of equity shares issued as bonus during the year of five years immediately preceding the reporting date:

Particulars	As at March 31, 2023	
	No. of Shares	
Equity shares allotted as fully paid bonus shares by capitalization of reserves		64950000

(All amounts are in Rupee million, unless otherwise stated)

f. Details of shares held by promoters

Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of Rs. 10 each fully paid	Hardeep Singh	14999670	23999472	38999142	59.99%	160.00%
Equity shares of Rs. 10 each fully paid	Surmeet Kaur	10000000	16000000	26000000	40.00%	160.00%
		24999670	39999472	64999142	99.99%	

g. No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash or bought back during the year of 5 years immediately proceeding the balance sheet date.

19 Other equity

As at March 31, 2023

Surplus in the statement of profit and loss

Opening balance	512.46
(+) Net profit for the year	500.38
(-) Issue of Bonus share	(400.00)
Closing balance (A)	612.84

Capital Reserve

Opening	-
Add: Addition during the year (Refer to Note 51)	155.32
Capital Reserve (B)	155.32

Other comprehensive income

Opening	1.95
Add: other comprehensive income for the	1.50
Closing balance (C)	3.45

Total other equity (A+B+C) **771.61**

Nature and purpose of other reserves
Other comprehensive income

The Group recognises change on account of remeasurement of the net defined benefit liability as part of other comprehensive income with separate disclosure, which comprises of actuarial gains and losses.

20 Borrowings (Non-current)

As at March 31, 2023

Secured

Term loan from banks/NBFC's (refer foot note-(i))	159.76
Vehicle loan (refer foot note-(ii))	16.46
Total non current borrowings	176.22

Less: Current maturities of non-current borrowings (included in note 23)

164.44

Non-current borrowings **11.78**

Footnotes:-

(All amounts are in Rupee million, unless otherwise stated)

Secured loan**(i) Term loan****IndusInd Bank Ltd**

The Group has availed WCTL (Sanctioned Limit Rs 12.60 millions) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd). Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Group situated at Haridwar. Further, there is personal guarantees of Directors and one of close relative of directors.

The tenure for the loan is 36 months to be fully paid by 31st December, 2024. The loan carries floating rate of interest of MIBOR(daily)+2% at monthly rest.

The Group has availed long term loan from Indusind Bank, the loan is secured by first and exclusive charge on hypothecation of entire movable fixed assets & equitable mortgage on industrial land and building of Royalux export private limited situated at NSEZ, and collateral first and exclusive mortgage on industrial land and building of Raina Metal Pvt Ltd. It is further secured by personal guarantee of Mr. Hardeep Singh and his relatives i.e Surmeet Kaur, Sanjeet Singh, Ishween Kaur and corporate guarantee by Raina Metal tech Private Limited.

Rate of interest of 8.50 % per annum. Term loans are repayable by September 29, 2023.

The loan outstanding amount is USD 0.09 millions as at March 31, 2023.

In case of default on FCNR Loan, Indusind bank may choose to convert entire loan into INR Loan.

HDFC Bank Ltd

The Group has availed long term loans from HDFC bank (Sanctioned Limit Rs 250.00 millions) which is secured against personal guarantee of directors, Corporate guarantee of IKIO Lighting Limited (a related party) and Royalux Lighting Private Limited (a related party). Further, there is a collateral charge on the equitable mortgage on industrial property of the Group.

Rate of interest on the loan is 8.05% per annum. The loan is repayable within 7 years including moratorium period of one year.

The long term loans from HDFC bank (Sanctioned Limit Rs 250.00 millions) which is secured against personal guarantee of directors, Corporate guarantee of IKIO Lighting Limited (a related party) and Royalux Lighting Private Limited (a related party). The said loan has been prepaid during the period.

Standard Chartered Bank

The Group has availed loan against property from Standard Chartered Bank which are secured against property situated at Villa No. 01, Plot No. 1, Type K ATS greens village, Sec 93A, Expressway, Noida, Uttar Pradesh . The tenure of the loan is 180 months to be fully paid by September 30, 2034. The loan carries floating rate of interest of MCLR Rate +0.50% p.a at half yearly reset.

The term loan against property from Standard Chartered Bank which are secured against property situated at Plot No. 10, Block - A, Sector - 68 Noida, Uttar Pradesh - 201305. The loan carries floating rate of interest of MCLR Rate +0.50 p.a at half yearly resets. The said loan has been prepaid during the period.

The term loan against property from Standard Chartered Bank which are secured against property situated at Plot No. 10, Block - A, Sector - 68 Noida, Uttar Pradesh - 201305. The loan carries floating rate of interest of Repo Rate+3.75% p.a at quarterly resets. The said loan has been prepaid during the period.

(ii) Vehicle Loan

Vehicle Loan obtained from Axis Bank Limited amounting to Rs.17.00 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from October 10, 2019. Rate of interest is 9.15% p.a and balance outstanding as at March 31, 2023 is Rs. 2.40 millions out of which Rs. 2.40 millions is repayable in next 6 months.

Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.67 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at March 31, 2023 is outstanding Rs. 0.69 millions out of which Rs. 0.55 millions is repayable in next 12 months.

Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.53 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at March 31, 2023 is Rs. 0.63 millions out of which Rs. 0.50 millions is repayable in next 12 months.

Vehicle Loan availed from HDFC Bank amounting to Rs. 4.5 millions which is secured against the respective vehicle and is

(All amounts are in Rupee million, unless otherwise stated)

repayable in 48 equal instalments commencing from October 05, 2021. Rate of interest is 7.10% p.a and balance outstanding as at March 31, 2023 is Rs. 2.96 millions out of which Rs. 1.12 millions is repayable upto March 31, 2024.

Vehicle Loan availed from HDFC Bank amounting to Rs. 3.7 millions which is secured against the respective vehicle and is repayable in 39 equal instalments commencing from March 03, 2021. Rate of interest is 7.30% p.a and balance outstanding as at March 31, 2023 is Rs. 1.43 millions out of which Rs. 1.22 millions is repayable upto March 31, 2024.

Vehicle Loan availed from HDFC Bank amounting to Rs. 9.00 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from December 12, 2022. Rate of interest is 7.90% p.a and balance outstanding as at March 31, 2023 is Rs. 8.35 millions out of which Rs. 2.04 millions is repayable upto March 31, 2024.

The Group's exposure to currency risks, liquidity risks and interest rate risks are disclosed in Note 49

21 Lease liabilities (Non-current)

As at March 31, 2023

Lease liability.	77.92
	77.92

22 Provisions (Non-current)

As at March 31, 2023

Provision for employees benefits

- Gratuity	19.03
- Compensated Absences	4.42
	23.45

23 Borrowings (Current)

As at March 31, 2023

Secured

Term loan from banks/NBFC's (refer foot note-(i))	64.05
Cash credit	451.75
Packing credit loan	123.84
Current maturities of long-term debt	164.44

Unsecured

From Directors	230.95
From Others	100.38
	1,135.41

Footnotes:-

1. Secured loan

(i) Term Loan

- a) The Company has availed loan against property from Standard Chartered Bank which are secured against property situated at Villa No. 01, Plot No. 1, Type K ATS greens village, Sec 93A, Expressway, Noida, Uttar Pradesh . The tenure of the loan is 180 months to be fully paid by September 30, 2034. The loan carries floating rate of interest of MCLR Rate +0.50% p.a at half yearly reset.
- b) The term loan against property from Standard Chartered Bank which are secured against property situated at Plot No. 10, Block - A, Sector - 68 Noida, Uttar Pradesh - 201305. The loan carries floating rate of interest of MCLR Rate +0.50 p.a at half yearly resets. The said loan has been prepaid during the period.
- c) The term loan against property from Standard Chartered Bank which are secured against property situated at Plot No. 10, Block - A, Sector - 68 Noida, Uttar Pradesh - 201305. The loan carries floating rate of interest of Repo Rate+3.75% p.a at quarterly resets. The said loan has been prepaid during the period.

(ii) Cash Credit

IndusInd Bank Ltd

The Group has availed cash credit facility (Sanctioned Limit Rs 96.50 millions) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on

(All amounts are in Rupee million, unless otherwise stated)

hypotheccation of all current assets (charge shared with HDFC Bank Ltd). Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Group situated at Haridwar. Further, there is personal guarantees of Directors and one of close relative of directors.

The loan carries a floating rate of interest linked with 6 month CD.

The Group has availed Cash Credit facility (Sanctioned Limit Rs 25.30 millions) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets & Current Assets. Also, there is a collateral guarantee in form of first Pari Passu equitable mortgage of industrial land and building of the Raina Metaltech Private Limited situated at Noida (a related Party). Further, there is personal gurantees of Director and close relatives of directors. The loan carries a floating rate of interest linked with 6 month CD.

HDFC Bank Ltd

The Group has also availed Cash Credit facility / LC limit (Sanctioned Limit Rs 151.00 millions) from HDFC Bank Ltd, Which is secured against pari passu charge on hypothecation of stock and debtors (charge shared with IndusInd Bank Ltd). Also, there is a collateral guarantee in form of industrial property situated at Noida owned by IKIO Solutions Pvt Ltd (A Related Party). Further, there are personal guarantees of Directors.

The loan carries a floating rate of interest linked with Repo rate + Spread.

During the year ended March 31, 2023, the Group has been sanctioned cash credit facilities amounting to Rs. 50.00 millions from HDFC Bank Limited. The facility is secured by way of charge on Stock, Debtor. Also there is collateral guarantee in form of equitable mortgage on industrial property of IKIO Solutions Private Limited, Noida (a related party). Further, there are personal gurantees of directors. The loan carries a floating rate of interest spread linked with 3M T-Bill and Prevailing T-Bill.

During the last year ended March 31, 2022, the Group has been sanctioned cash credit facilities amounting to Rs. 186.00 millions. The facility is secured by way of charge on Stock, Debtor & BG Margin. Also there is collateral guarantee in form of equitable mortgage on industrial property of IKIO Solutions Pvt Ltd, Noida (a related party). Further, there are personal guarantees of directors. The loan carries a floating rate of interest linked with Repo rate+Spread.

Packing credit loan

HDFC Bank Ltd

The Group has availed working capital loan (Pre/Post Shipment/PSR and Cash credit) from HDFC bank (sanctioned Rs. 230.00 millions). The loan is secured by personal guarantee given by Mr. Hardeep Singh and Mrs. Surmeet Kaur. It is further secured by inventory, trade receivables and Corporate guarantee (collateral security of equitable mortgage on industrial land & Building) of IKIO Solution Private Limited property located at industrial property, plot no. 10 Sector 156, Mandoli village, Noida- 201301.

2. Unsecured loan

Loan from directors

The Group have taken Interest free loan from Director.

The Group has taken loan from others are carries fixed rate of interest 9% per annum.

For explanation on the Group liquidity risk management process (Refer note 49)

24 Lease liability (Current)

As at March 31, 2023

Lease liability.	2.45
	2.45

25 Trade payables

As at March 31, 2023

Total outstanding dues of Micro and Small Enterprises (refer note no 42)	88.30
Total outstanding dues of creditors other than Micro and Small Enterprises	152.38
	240.68

(All amounts are in Rupee million, unless otherwise stated)

Note:

Particulars	Outstanding as at March 31, 2023 from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 Years	Total
(i) Micro enterprises and small enterprises	88.30	-	-	-	88.30
(ii) Other than micro enterprises and small enterprises	149.68	2.24	0.46	-	152.38
(iii) Micro enterprises and small enterprises - Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises- Disputed Dues	-	-	-	-	-
Total	237.98	2.24	0.46	-	240.68

i. For trade payables to related parties please refer note 45

ii. Other creditor are non interest bearing.

iii. The Group's exposure to currency and liquidity risks related to trade payables are disclosed in Note 49

26 Other financial liability (current)

	As at March 31, 2023
Temporary book overdraft	32.50
Capital creditors	4.44
Expenses payable	11.68
Interest accrued but not due	1.20
Other payables	59.83
	109.65

Note:

The Group's exposure to currency and liquidity risks related to trade payables are disclosed (in note 49)

27 Other Current liabilities

	As at March 31, 2023
Statutory dues payable	37.97
Advance from customers	22.82
	60.79

28 Provisions (Current)

	As at March 31, 2023
Provision for Employees Benefits	
- Gratuity	1.48
- Compensated absences.	1.68
	3.16

29 Current Tax liabilities (net)

	As at March 31, 2023
Provision for income tax (net of Advance Tax, TDS and TCS)	22.71
	22.71

30 Revenue from operations

	Year ended March 31, 2023
Sale of product	3,587.65
	3,587.65

(All amounts are in Rupee million, unless otherwise stated)

31 Other income

	Year ended March 31, 2023
Net gain on foreign currency transactions	16.48
Provisions no longer required written back	2.85
Gain on derecognition of lease	2.18
Interest income	0.86
Export incentive	0.01
Net profit on sale of property, plant & equipment	0.11
Finance income on amortisation of security deposit	0.10
Gain on reversal of expected credit loss	2.29
Rebate & discount	0.02
Miscellaneous income	6.77
	31.67

32 Cost of materials consumed

	Year ended March 31, 2023
Opening stock	941.46
Add: Purchase	2,256.21
Less: Closing Stock	944.05
	2,253.62

33 Change in inventories

	Year ended March 31, 2023
Inventories (at closing)	
- Work-in-progress	153.98
- Finished goods	106.36
	260.34
Inventories (at opening)	
- Work-in-progress	214.86
- Finished goods	94.44
	309.30
Net decrease in inventories	48.96

34 Employee Benefits Expense

	Year ended March 31, 2023
Salaries, wages, bonus and other allowances	242.94
Director's remuneration	34.20
Contribution to provident and other funds	18.59
Expenses related to post-employment defined benefit plans (Refer note 44)	5.80
Expenses related to compensated absences	0.47
Staff welfare expenses	6.20
	308.20

(All amounts are in Rupee million, unless otherwise stated)

35 Finance costs

	Year ended March 31, 2023
Interest on borrowing	33.94
Other borrowing costs	46.53
Interest on lease liabilities (Refer note 41)	4.77
Interest on delayed payment	1.99
Interest on Income Tax	3.13
	90.36

36 Depreciation and amortisation expense

	Year ended March 31, 2023
Depreciation and Amortisation (refer note 3 and 7)	48.62
Amortisation of right of use assets (refer note 4)	9.25
	57.87

37 Other expenses

	Year ended March 31, 2023
Legal and professional charges	17.58
Electricity and water expenses	28.43
Travelling and conveyance expenses	16.58
Repair and maintenance	15.15
Rent	14.09
Freight	10.80
Lab testing and research and development	9.37
Job work paid	8.49
Rates and taxes	9.56
Insurance charges	3.82
Security charges	2.92
Consumable expenses	2.35
Generator fuel and running expenses	2.41
Auditor remuneration (refer footnote (i))	2.60
Corporate social responsibility expenses (refer note 46)	6.86
Sundry balance written off	6.15
Communication expenses	1.77
Director sitting fees	1.73
Bank charges	0.95
Vehicle running and maintenance	1.21
Business promotion	2.91
Printing and stationery	0.98
Loading and unloading charges	0.56
SEZ EDI charge	0.04
Subscription and fee	0.64
Advertisement expenses	5.00
Commission expenses	3.06
Packing and forwarding expense	0.11
Installation and extraction charges	4.54
Selling and distribution expense	6.15
Unidentified financial loss	10.00
Computer expense	1.99
Miscellaneous expenses	3.26
	202.06

(All amounts are in Rupee million, unless otherwise stated)

Footnotes:**i. Details of Auditor remuneration (excluding Goods & Service Tax)**

	Year ended March 31, 2023
Statutory Audit	1.83
Tax Audit	0.30
Out of Pocket Expenses	0.47
	<u>2.60</u>

38 Disclosure as per Ind AS 33 on 'Earnings per Share' (EPS)

	As at March 31, 2023
Basic and Diluted earnings per share	
-Basic (Rs.)	7.70
-Diluted (Rs.)	7.70
Nominal value per share	10.00
(a) Profit attributable to equity shareholders	
Profit for the year	500.38
Profit attributable to equity shareholders	<u>500.38</u>
(b) Weighted average number of shares used as the denominator	65000000
Weighted average number of equity shares for basic and diluted EPS	<u>65000000</u>

At present, the Company does not have any dilutive potential equity share.

39 Contingent Liabilities and Other Commitments

	As at March 31, 2023
Contingent Liabilities	
Demand under Sales Tax for the year 2017-18 against pending C-Forms*	28.91
Demand under Income tax act not acknowledge as debt	2.84
*In the view of management, the demand is not expected to be materialised as the group expects to submit the relevant C-Forms and accordingly no provision is required to be recorded.	
Capital Commitments	
Capital Commitment (net of capital advances)	<u>8.91</u>

(All amounts are in Rupee million, unless otherwise stated)

40 Group information

(a) The special purpose performs Consolidated Financial Statements of the Group includes subsidiaries listed in the table below:

Name of subsidiary	Country of incorporation	Proportion %	Period of financial statements included in consolidation
Fine Technologies (India) Private Limited	India	100%	12 September 2022 to 31 March 2023
Royalux Lighting Private Limited	India	100%	12 September 2022 to 31 March 2023
Royalux Exports Private Limited	India	100%	12 September 2022 to 31 March 2023
IKIO Solutions Private Limited	India	100%	12 September 2022 to 31 March 2023

(b) Additional information as required by paragraph 2 of the general instructions for preparation of special purpose performs consolidated financial statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit and loss	Amount (₹ in Millions)	As % of consolidated other comprehensive income	Amount (₹ in Millions)	As % of total comprehensive income	Amount (₹ in Millions)
IKIO Lighting limited	57.46%	1,011.63	46.96%	246.43	52.67%	0.79	46.97%	247.22
Fine Technologies (India) Private Limited	12.34%	217.29	13.81%	72.45	14.00%	0.21	13.81%	72.66
Royalux Lighting Private Limited	18.51%	325.84	28.27%	148.38	12.00%	0.18	28.23%	148.56
Royalux Exports Private Limited	11.77%	207.29	10.42%	54.68	21.33%	0.32	10.45%	55.00
IKIO Solutions Private Limited	-0.78%	(13.79)	-1.78%	(9.35)	0.00%	-	-1.78%	(9.35)
Eliminations	0.69%	12.21	2.33%	12.21	0.00%	-	2.33%	12.21
Total	100.00%	1,760.47	100.00%	524.80	100.00%	1.50	100.00%	526.30

41 Leases

The group is a lessee under operating lease of different premises. The Group has executed non-cancellable operating leases for a period of 2, 3, 5, 15 and 90 years respectively. The Group has executed a short-term operating lease for a period of 11 months renewable as per mutual agreement.

(All amounts are in Rupee million, unless otherwise stated)

Disclosure in respect of such operating leases is as given below:

a) Break up value of the Current and Non - Current Lease Liabilities:

Particulars	As at March 31, 2023
Current lease liabilities	2.45
Non-current lease liabilities	77.92
	80.37

The movement in lease liabilities during the year ended is as follows:

Opening Balance	3.32
Additions pursuant to business combination	88.45
Addition - during the year	1.80
Finance cost accrued during the year	4.77
Payment of lease liabilities	(11.09)
Reversal due to closure of lease agreement (Refer footnote)	(8.40)
Adjustment on account of modification	1.53
Closing Balance	80.38

The details of the contractual maturities of lease liabilities at year ended on undiscounted basis are as follows:

Particulars	As at March 31, 2023
Not later than one year	2.45
Later than one year but not later than five years	4.33
Later than five years	73.60
	80.38

The aggregate lease rental of Rs. 14.09 million on such leases has been charged to the Statement of consolidated Profit and Loss.

Right of use assets

The changes in the carrying value of Right of use assets for the year ended are as follows :

Particulars	As at March 31, 2023
Opening Balance	3.36
Opening Balance on acquisition of subsidiaries	339.84
Addition -during the year	1.80
Depreciation of Right of use assets	(9.25)
Reversal due to closure of lease agreement (Refer footnote)	(6.22)
Adjustment on account of modification	1.53
Closing Balance	331.06

Note:

The lease agreements do not have any restrictive onerous clauses, other than that those normally prevalent in similar agreements for use of assets, rent escalation, and lease renewal.

(All amounts are in Rupee million, unless otherwise stated)

42 Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

Particulars	As at March 31, 2023
Contingent Liabilities	
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:	
Principal amount due to micro and small enterprises	88.30
Interest due on above	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-

43 Segment Reporting

A. Basis for Segmentation

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available.

The board of directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.

The Group's Board reviews the results of each segment on a quarterly basis. The Group's Board of Directors uses Profit after tax ('PAT') to assess the performance of the operating segments. Accordingly, there is only one reportable segment for the Group which is "Sale of Product", hence, no specific disclosures have been made.

Entity wide disclosures

B. Information about reportable segments

The Group deals in one business segment namely "Manufacturing of LED Lighting" therefore, product wise revenue disclosures are not applicable to the Group.

Information about geographical areas

Group operates primarily under a single geographic location i.e. India and accordingly, there are no separate reportable geographical segments.

C. Revenue from Major customers

In IKIO lighting limited, Revenue from one customer amounting to Rs. 2,257.98 Million.

In Royalux Lighting Private Limited, Revenue from one customer amounting in Rs. 136.44 Million.

In Fine Technology Private Limited, Revenue from one customer amounting in Rs. 35.92 Million.

In Royalux Export Private Limited, Revenue from one customer amounting in Rs. 280.75 Million.

(All amounts are in Rupee million, unless otherwise stated)

44 Employee benefits

The Group contributes to the following post-employment defined benefit plans in India.

A. Defined contribution plans:

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, administered and managed by the government of India. The Group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

Particulars	Year ended March 31, 2023
Contribution to provident fund (refer note no 33)	13.85

B. Defined benefit plan:

Gratuity

The Group operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. The gratuity liability is entirely unfunded.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognise each year of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

a. The following table set out the status of the defined benefit obligation

Particulars	As at March 31, 2023
Net defined benefit liability	
Gratuity (Unfunded)	20.51
Total employee benefit liabilities	20.51
Non-current	19.03
Current	1.48

b. Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	As at March 31, 2023		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	20.51	-	20.51
Additions pursuant to business combination			
Included in profit or loss			
Current service cost	-	-	-
Interest cost (income)	-	-	-

Included in OCI

- Remeasurements loss (gain)
- Actuarial loss (gain) arising from:
 - financial assumptions
 - demographic assumptions
 - experience adjustment

(All amounts are in Rupee million, unless otherwise stated)

Particulars	As at March 31, 2023		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Other			
Contributions paid by the employer	-	-	-
Benefits paid	-	-	-
Balance at the end of the year	20.51	-	20.51

Expenses recognised in the Statement of Profit and Loss

Particulars	As at March 31, 2023
Service cost	-
Net interest cost	-

Consolidated Financial Statements have been prepared in accordance with Ind AS 110 "Consolidated Financial Statements". These consolidated financial statements include the financial results of IKIO Lighting Limited ("Holding Company") for the year ended March 31, 2023 and financial results of subsidiary companies, namely, Fine Technologies(India) Private Limited, Royalux Exports Private Limited, Royalux Lighting Private Limited and IKIO Solutions Private Limited for the year from September 12, 2022 to March 31, 2023, that is from the date the Holding Company acquired control. Accordingly, the data related to Service cost, Interest cost, and actuarial gain/loss for the stub year September 12, 2022 to March 31, 2023 for these subsidiaries is not realistically ascertainable in the absence of actuarial valuation in respect of these subsidiaries on the date of transfer of control. The present obligation as at March 31, 2023 has been ascertained through actuarial valuation. Accordingly requisite disclosures have not been provided in respect of the financial statements for the year ended March 31, 2023. In the opinion of the management, the amounts are not material and such non-disclosure does not affect the true and fair view of the Consolidated Financial Statements.

c. Plan assets

The Group does not have any plan assets.

i) Economic assumptions

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

Particulars	As at March 31, 2023
Discount rate	7.33% to 7.36%
Expected rate of future salary increase	5%

The discount rate has been assumed at March 31, 2023: 7.33% to 7.36% which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii) Demographic assumptions

Particulars	As at March 31, 2023
i) Retirement age (years)	60 years
ii) Mortality rates inclusive of provision for disability	IALM(2012-14)
iii) Withdrawal Rate	6.00%

d. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(All amounts are in Rupee million, unless otherwise stated)

Particulars	As at March 31, 2023	
	Increase	Decrease
Discount rate (1.00% movement)	(0.75) to (0.08)	0.09 to 0.90
Salary escalation rate (1.00% movement)	0.08 to 0.90	(0.78) to (0.08)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality is not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

- A) Salary Increases- More than expected increase in the future salary levels may result in increase in the liabilities.
- B) Discount Rate: In case of yield on the government bonds drops in the future year then it may result in increase in liability.
- C) Withdrawals – if the actual withdrawal rate turns out to be more or less than expected then it may result in increase in the liabilities.
- D) Mortality - if the actual mortality rate in the future turns out to be more or less than expected then it may result in increase in the liabilities."

e. Expected Maturity Analysis of the Defined Benefit plans in future years

Particulars	As at March 31, 2023
Duration of Defined Benefit Obligation	
Less than 1 year	1.52
Between 1-2 years	1.46
Between 2-5 years	4.23
Over 5 years	13.31
Total	20.51

45 Related Party Disclosure

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

(a) List of related parties

Relationship	Name of related party
Wholly Owned Subsidiary	Fine Technologies (India) Private Limited (Since September 12, 2022) IKIO Solutions Private Limited (Since September 12, 2022)
Wholly Owned Step Down Subsidiary	Royalux Lighting Private Limited (Since September 12, 2022) Royalux Exports Private Limited (Since September 12, 2022)
Enterprises in which key management personnel and their relatives are able to exercise significant influence*	Raina Metal Tech Private Limited Fine Technologies (India) Private Limited (Till September 11, 2022) IKIO Solutions Private Limited (Till September 11, 2022) Royalux Lighting Private Limited (Till September 11, 2022) Royalux Exports Private Limited (Till September 11, 2022) Krishna Computech International Private Limited Inko Technologies Singh Enterprises Singh Engineering IKIO Led Lighting LLC

(All amounts are in Rupee million, unless otherwise stated)

Key Managerial Personnel

Mr. Hardeep Singh
Mrs. Surmeet Kaur
Mr. Sanjeet Singh
Mr. Subhash Chand Agrawal (Chief Financial Officer)
Mr. Sandeep Kumar Agarwal (Company Secretary)

Relative of Key Managerial Personnel

Mrs. Ishween Kaur

* With whom transactions entered during the year

(b) Details of related party transactions are as below:

Particulars	Year ended March 31, 2023
Transaction during the Year	
Purchases and other expenses	
Fine Technologies (India) Private Limited**	99.36
Royalux Lighting Private Limited**	14.68
Singh Enterprises	0.37
Singh Engineering	0.01
Income	
Revenue from operations	
Fine Technologies (India) Private Limited**	1.14
Royalux Exports Private Limited**	4.87
Royalux Lighting Private Limited**	5.37
IKIO Led Lighting LLC	24.63
Krishna Computech International Private Limited	2.06
Singh Enterprises	2.83
Mrs. Ishween Kaur	3.59
Director's remuneration (including KMP's)	
Mr. Hardeep Singh	17.37
Mrs. Ishween Kaur	5.28
Mrs. Surmeet Kaur	9.62
Mr. Sanjeet Singh	8.78
Mr. Subhash Chand Agrawal	4.00
Mr. Sandeep Kumar Agarwal	1.65
Rent	
Raina MetalTech Private Limited	8.55
Purchases of Property, Plant and Equipment	
Fine Technologies (India) Private Limited**	8.79
Sale of property plant and equipment	
Fine Technologies (India) Private Limited**	0.01
Royalux Exports Private Limited**	2.12
Royalux Lighting Private Limited**	0.08
Repayment of loan taken	
Mr. Hardeep Singh	60.30
Mrs. Surmeet Kaur	45.84

(All amounts are in Rupee million, unless otherwise stated)

Particulars	Year ended March 31, 2023
Loan taken	
Mr. Hardeep Singh	134.12
Mrs. Surmeet Kaur	26.80
Mr Sanjeet Singh	5.00
Mrs. Ishween Kaur	3.50
c) Balance outstanding with or from related parties as:-	
Particulars	As at March 31, 2023
Trade receivables	
Singh Enterprises	9.24
IKIO Led Lighting LLC	53.70
Raina MetalTech Private Limited	0.18
Krishna Computech International Private Limited	1.91
Borrowings	
Mr. Hardeep Singh	196.15
Mrs. Surmeet Kaur	19.20
Mrs. Ishween Kaur	10.60
Mr. Sanjeet Singh	5.00
Trade payables	
Raina MetalTech Private Limited	0.14
Singh Engineering	0.03
IKIO Led Lighting LLC	0.19
Other Payables-Remuneration	
Mr. Hardeep Singh	0.21
Mrs. Surmeet Kaur	0.84
Mr. Sanjeet Singh	0.16
Mr. Subhash Chand Agrawal	0.33
Mr. Sandeep Kumar Agarwal	0.14
Security deposit (given)	
Raina MetalTech Private Limited	2.16
Corporate / Personal guarantees taken from	
Raina MetalTech Private Limited	26.46
Inko Technologies	18.90
Mr. Hardeep Singh	658.93
Mrs. Surmeet Kaur	367.02
Mr. Sanjeet Singh	495.34
Mrs. Ishween Kaur	227.46

d) Terms and conditions of transactions with the related parties

- i. The terms and conditions of the transactions with key management personnel were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.
- ii. All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

(All amounts are in Rupee million, unless otherwise stated)

46 Corporate social responsibility expenses

- a) Gross amount required to be spent by the Group during the year was Rs. 6.86 million.
- b) Amount spent during the year was Rs. 6.86 million.

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above*	6.86	-	6.86

* Contribution to an approved/ registered trust "Maa Katyani Mandir Gyan Katar Ashram" Charitable Trust', for undertaking approved Corporate social responsibility projects/ programmes/ activities. The amount shall be utilised for low cost/free education facilities to underprivileged children, establishment of medical facilities like Dispensary for public at large and also in "Shree Aggarsain International Hospital" Charitable Trust', for undertaking approved Corporate social responsibility projects/ programmes/ activities. The amount shall be utilised for free OPD, distribution of free medicines and free health check up camps.

- c) The Group does not have any ongoing project going on as at March 31, 2023.

47 Earnings in Foreign Currency

Particulars	Year ended March 31, 2023
Export of goods	368.13

48 Expenditure in Foreign Currency

Particulars	Year ended March 31, 2023
Raw material	1,250.80

49 Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Other financial asset	-	-	5.80	5.80	-	-	-
Current							
Trade receivables	-	-	726.84	726.84	-	-	-
Cash and cash equivalents	-	-	23.06	23.06	-	-	-
Bank Balances Other than Cash & Cash Equivalents)	-	-	7.05	7.05	-	-	-
Others	-	-	3.52	3.52	-	-	-
Total	-	-	766.27	766.27	-	-	-
Financial liabilities							
Non-current							
Borrowings	-	-	11.78	11.78	-	-	-
Lease liabilities	-	-	77.92	77.92	-	-	-
Current							
Borrowings -	-	-	1,135.41	1,135.41	-	-	-
Lease liabilities	-	-	2.45	2.45	-	-	-
Trade payables	-	-	240.68	240.68	-	-	-
Other financial liabilities	-	-	109.65	109.65	-	-	-
Total	-	-	1,577.89	1,577.89	-	-	-

(All amounts are in Rupee million, unless otherwise stated)

Level 1: It includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The Group's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of non-current financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Valuation processes

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a yearic basis, including level 3 fair values.

b. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the Group.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has policies covering specific areas, such as interest rate risk, foreign currency risk, other price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

Particulars	As at March 31, 2023
Trade receivables#	726.84
Cash and cash equivalents	23.06
Bank balances other than cash and cash equivalents	7.05
Others	9.32

(All amounts are in Rupee million, unless otherwise stated)

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's credit risk is primarily to the amount due from customer and investments. The Group maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Group does monitor the economic environment in which it operates. The Group manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance.

This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. Further, the Group does not anticipate any material credit risk of any of its other receivables.

The Group believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

Movement in the allowance for impairment in respect of trade receivables:

Particulars	As at March 31, 2023
Balance at the beginning	0.30
Additions from subsidiaries on the date of Acquisition	13.78
Impairment loss recognised / (reversed)	(2.29)
Amount written off	-
Balance at the end	11.79

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

(All amounts are in Rupee million, unless otherwise stated)

As at March 31, 2023	Carrying amount	Contractual cash flows				Total
		Less than one year	Between one year to five years	More than five years		
Non current						
Non current borrowings	11.78	-	11.78	-	-	11.78
Lease liabilities	77.92	-	4.33	73.59	-	77.92
Current						
Borrowings	1,135.41	1,135.41	-	-	-	1,135.41
Lease liabilities	2.45	2.45	-	-	-	2.45
Trade payables	240.68	237.98	2.70	-	-	240.68
Other financial liabilities	109.65	109.65	-	-	-	109.65
Total	1,577.89	1,485.49	18.81	73.59	1,577.89	

iii. Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Group mainly has exposure to two type of market risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities. The Group enters into forward currency contracts to neutralise any foreign currency fluctuation risk.

Exposure to currency risk

The summary of quantitative data about the Group exposure to currency risk, as expressed in Indian Rupees as at March 31, 2023:-

Particulars	As at March 31, 2023			
	Currency	Amount	Currency	Amount
Financial assets				
Trade receivable	INR	299.84	USD	3.65
Financial liabilities				
Trade Payable	INR	45.05	USD	0.55
Borrowings	INR	7.56	USD	0.09

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

Exposure to interest rate risk

The Group's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting year are as follows:

Variable-rate instruments	As at March 31, 2023
Term Loan	152.20
Cash Credit	451.75
Packing credit loan	123.84
Total	727.79

(All amounts are in Rupee million, unless otherwise stated)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loans from banks				
For the year ended March 31, 2023	(3.64)	3.64	(2.72)	2.72

50 Capital Management

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Group.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Group may return capital to shareholders, raise new debt or issue new shares.

The Group monitors capital on the basis of the debt to total equity, which is calculated as interest-bearing debts divided by total equity (equity attributable to owners of the parent).

Particulars	As at March 31, 2023
Borrowings	1,147.19
Less : Cash and cash equivalent	(23.06)
Adjusted net debt (A)	1,124.13
Total equity (B)	1,421.61
Adjusted net debt to adjusted equity ratio (A/B)	0.79

51 Business Combinations

(a) Details of companies acquired during the year:

On September 12, 2022, the Company entered into a share purchase agreement to transfer the shares of "Fine Technology (India) Private Limited" with the share holder of the acquired company to the Company for a consideration of Rs. 129.6 million resulting in recognition of a business transfer reserve of Rs. 15.02 million.

On September 12, 2022, the Company entered into a share purchase agreement to transfer the shares of "Royalux Lighting Private Limited" with the share holder of the acquired company to the Company for a consideration of Rs. 98.93 million resulting in recognition of a business transfer reserve of Rs. 78.34 million.

On September 12, 2022, the Company entered into a share purchase agreement to transfer the shares of "Royalux Export Private Limited" with the share holder of the acquired company to the Company for a consideration of Rs. 90.31 million resulting in recognition of a business transfer reserve of Rs. 61.88 million.

On September 12, 2022, the Company entered into a share purchase agreement to transfer the shares of "IKIO Solutions Private Limited" with the share holder of the acquired company to the Company for a consideration of Rs. 0.50 million resulting in recognition of Goodwill of Rs. 4.94 million.

(All amounts are in Rupee million, unless otherwise stated)

(b) The fair value of identifiable assets acquired and liabilities assumed as on the acquisition date:

	Fine Technology (India) Private Limited	Royalux Lighting Private Limited	Royalux Export Private Limited	IKIO Solutions Private Limited
Net assets	144.62	177.27	152.19	(4.44)
Fair value adjustment	-	-	-	-
Total enterprise value	144.62	177.27	152.19	(4.44)
Purchase consideration paid	129.60	98.93	90.31	0.50
Gain on Bargain Purchase/(Goodwill)	15.02	78.34	61.88	(4.94)

52 Deferred Tax Asset (Net)**A. Amounts recognised in Profit or Loss****Year ended March 31, 2023****Current tax expense**

Current year	162.99
162.99	

Deferred tax expense

Change in recognised temporary differences	(5.12)
157.87	

B. Amounts recognised in Other Comprehensive Income**Year ended March 31, 2023**

	Before tax	Tax Expense	Net of tax
Remeasurements of defined benefit liability	1.90	(0.40)	1.50
	1.90	(0.40)	1.50

Consolidated Financial Statements have been prepared in accordance with Ind AS 110 "Consolidated Financial Statements". These consolidated Financial Statements include the financial results of IKIO Lighting Limited ("Holding Company") for the year ended March 31, 2023 and financial results of subsidiary companies, namely, Fine Technologies(India) Private Limited, Royalux Exports Private Limited, Royalux Lighting Private Limited and IKIO Solutions Private Limited for the year from September 12, 2022 to March 31, 2023, that is from the date the Holding Company acquired control. The details related to Reconciliation of effective tax rate and Movement in deferred tax balances for the stub year September 12, 2022 to March 31, 2023 for these subsidiaries are not realistically ascertainable. Accordingly requisite disclosures have not been provided in respect of the financial statements for the year ended March 31, 2023. In the opinion of the management, such non-disclosure does not affect the true and fair view of the Consolidated Financial Statements.

53 Details with respect to the Benami Properties:

No proceedings have been initiated or pending against the group under the Benami Transactions (prohibition) Act, 1988 for the the year ended March 31, 2023.

54 Undisclosed income

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

(All amounts are in Rupee million, unless otherwise stated)

55 Details of Crypto Currency or Virtual Currency

Profit or loss on transactions involving Crypto currency or Virtual Currency	No transaction during the year
Amount of currency held as at the reporting date	No transaction during the year
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No transaction during the year

56 Wilful Defaulter:

No bank or financial institution has declared the companies under the group as "Wilfull defaulter".

57 Relationship with Struck off Companies:

The Group has no transaction with the company struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2023.

58 Registration of charges or satisfaction with Registrar of Companies:

All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending for the year ended March 31, 2023.

59 Compliance with number of layers of companies:

Where the Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

No layers of companies has been established beyond the limit prescribed as per above said section / rules.

60 Loan or advances granted to the promoters, directors and KMPs and the related parties:

No loan or advances in the nature of loans are granted to the promoters, directors, key managerial persons and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are:

a) repayable on demand or

b) without specifying any terms or year of repayment

61 Figures less then Rs. 5000 has been displayed as "0.00".

62 This is the first year of consolidation hence no previous year's figures are required.

The accompanying notes are an integral part of these Consolidated financial statements.
As per our report of even date.

For BGJC & Associates LLP

Chartered Accountants

Firm's Registration Number: 003304N/N500056

Pranav Jain

Partner

Membership Number. 098308

Place: Noida

Date: August 04, 2023

For and on behalf of the Board of Directors of IKIO Lighting Limited

Hardeep Singh

Managing Director

DIN: 00118729

Surmeet Kaur

Whole Time Director

DIN: 00118695

Subhash Agrawal

CFO

Sandeep Agarwal

Company Secretary

Notes

Notes



IKIO Lighting Limited

Registered Office: 411, Arunachal Building 19, Barakhamba Road, Connaught Place, New Delhi- 110 001

Corp. Office: D-234, Sector-63 Noida - 201301, Uttar Pradesh

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