LAVA

BOARD OF DIRECTOR'S
(As on signing date i.e. 26.08.2024)

Mr. Shailendra Nath Rai, Whole Time Director

Mr. Sunil Raina, Whole Time Director

Mr. Sanjeev Agarwal, Whole Time Director

Mr. Sunil Bhalla, Non-Executive Director

Mr. Vishal Sehgal, Non-Executive Director

Ms. Deepika Gupta, Non-Executive Director

Mr. Anupam, Shrivastava, Independent Director

Mr. Ajay Kumar Singh, Independent Director

CHIEF FINANCIAL OFFICER
Mr. Asitava Bose

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Preeti

STATUTORY AUDITORS
M/s Raj Gupta & Co., Chartered Accountants

Registered Office
Lava International Ltd.
B-14, House-2, Basement Shivlok
Commercial Complex, Karampura, Delhi
West, Delhi-110015
CIN-U32201DL2009PLC188920
E-mail: compliance1@lavainternational.in

Corporate Office
Lava International Ltd.
A-56, Sector-64
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DIRECTORS' REPORT

To,

The Members,

Your directors are pleased to present the 14th Annual Report together with the audited Financial Statements for the financial year ended 31st March 2023.

1. FINANCIAL HIGHLIGHTS

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

(Rs. in millions)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	22,056.74	18,222.36	54435.99	58,776.45
Other income	273.08	201.17	273.87	203.68
Total Revenue	22,329.82	18,423.53	54709.86	58,980.13
Total Expense	21,273.95	17,356.47	51782.72	55,539.75
Earnings before interest, tax,depreciation and amortization (EBIDTA)	1,055.87	1,067.06	2927.14	3,440.38
Less: Depreciation and amortization expenses	226.81	194.83	1400.34	967.14
Less: Finance Cost	366.41	308.17	538.32	441.17
Share of (profit)/loss of joint venture, associates (net of tax)	–	–	0.22	0.96
Profit before Tax (PBT)	462.65	564.06	988.26	2,031.11
Less: Current Tax	118.05	261.30	119.80	265.13
Less: Tax charge/(credit) relating to earlier years	(16.98)	(18.21)	(16.98)	(18.21)

Less: Deferred Tax charge/ (Income)	5.48	(98.52)	5.89	(98.47)
Profit for the year (PAT)	353.30	405.49	879.75	1,868.68
Other Comprehensive income/(Expense) (net of tax)	(2.14)	0.05	-207.01	(261.46)
Total Comprehensive income (net of tax)	355.44	405.44	1086.77	2,130.12

2. OPERATIONS AND BUSINESS PERFORMANCE:

Standalone Performance

The Company is in the business of Mobile phones, tablets and communication equipment.

During the year under review the Company has earned revenue from its operations of Rs. 22,058.74 Million which is 21.04% higher as compared to previous year revenue from its operation of Rs. 18,222.36 Million. However, the profit before tax during the financial year 2022-23 stood at Rs. 462.86 Million as compared to previous year profit before tax of Rs. 584.08 Million.

Consolidated Performance

During the year under review the Company has earned revenue on consolidated basis from its operations of Rs.54,435.69 Million, 7% lower as compared to previous year consolidated revenue of Rs. 58,776.45 Million. Further the profit before tax on consolidated basis during the financial year 2022-23 stood at Rs. 968.06 Million as compared to previous year profit before tax of Rs. 2,031.11 Million.

3. CHANGE IN THE NATURE OF BUSINESS

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

4. DIVIDEND

The Company will be utilizing the funds for the current operations and as well as for upcoming projects, hence Board do not recommend any dividend for the financial year 2022-23.

5. TRANSFER TO RESERVES

During the year under review, no amount from the profit of the Company has been transferred to the General Reserve of the Company.

6. SHARE CAPITAL

Authorized Share Capital

During the year under review, there has been no change in the Authorized, Issued and Paid up Share capital of the Company. As at 31st March 2023, the Authorized Share Capital of the Company stood at Rs. 3,961,000,000 (Rs. Three Hundred Ninety Six Crore Ten Lac only) divided into 7,82,000,000 equity shares of ₹5 each; (ii) 100,000 Preference Shares of ₹10 each; and (iii) 900,000 Preference Shares of ₹100. The paid up capital of the Company also stood at Rs. 2,73,96,48,280 (Rs. Two Hundred Seventy Three Crore Ninety Lakh Forty Eight Thousand Two Hundred Eighty Only) divided into (i) 54,11,26,216 equity shares of Rs. 5 each; (ii) 1,00,000

Compulsory Convertible Preference Shares of Rs. 10 each; and (iii) 324,172 Compulsory Convertible Preference Shares of Rs. 100 each as at 31.03.2023.

7. NON CONVERTIBLE DEBENTURES AND DETAILS OF DEBENTURE TRUSTEE

During the year under review, the Company has not issued any Non-Convertible Debentures.

However, 250 Non-Convertible Debentures of Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs) each issued by the Company for cash at par aggregating to Rs. 25,00,00,000/- (Twenty Five Crore only) on private placement basis on September 27, 2021 s were outstanding as on 31st March 2023. The said debentures were redeemed by the Company by making full payment on 26th September 2023.

8. SUBSIDIARY COMPANIES

As at March 31, 2023, your Company had 9 direct subsidiaries (these 9 direct subsidiaries further had 20 direct/indirect subsidiaries), 1 Joint venture and 1 Associate Company.

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

Further, pursuant to the provisions of Section 136 of the Act, the audited financial statements including consolidated financial statements along with relevant documents of the Company and financial statements of the subsidiaries are available on the website of the Company https://www.lavamobiles.com/investor-relations-annual-reports.aspx
The policy for determining material subsidiaries of the Company has been provided in the following link https://www.lavamobiles.com/investor-relations-policy.aspx

9. DIRECTORS & KEY MANAGERIAL PERSONNEL

During the period under review, the Board of Directors of the Company comprised of eminent persons with proven competence and integrity. Besides the experience, strong financial acumen, strategic astuteness, and leadership qualities, they have a significant degree of commitment towards the Company and devoted adequate time to the meetings and preparation. As at March 31, 2023 the board of directors comprised of the following:

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

Changes in Board

During the year under consideration, there has been no change in the Board of directors of the Company.

However, post closure of financial year under consideration, there had been following changes in the directorship of the Company:

S. No.	Name	Designation	Appointment/ Cessation	Date of Appointment /Cessation
1.	Mr. Rahul Kansal	Independent Director	Cessation	22.08.2023
2.	Mr. Vinod Rai	Independent Director	Cessation	22.08.2023
3.	Mrs. Chitra Gouri Lal	Independent Director	Cessation	22.08.2023
4.	Mr. Jitendra Kumar	Independent Director	Appointment	01.09.2023
5.	Mr. Jitendra Kumar	Independent Director	Cessation	30.12.2023
6.	Mr. Sunil Raina	Additional / Whole Time Director	Appointment	06.11.2023
7.	Mr. Sunil Raina	Additional / Whole Time Director	Cessation	30.12.2023
8.	Mr. Sunil Raina	Whole Time Director	Appointment	28.02.2024
9.	Mr. Sanjeev Agarwal	Additional / Whole Time Director	Appointment	01.02.2024
10.	Mr. Hari Om Rai	Chairman Cum Managing Director	Cessation	28.02.2024
11.	Mr. Vinod Sharma	Independent Director	Cessation	19.03.2024
12.	Mr. Anupam Shrivastava	Independent Director	Appointment	26.03.2024
13.	Mr. Ajay Kumar Singh	Independent Director	Appointment	18.04.2024
14.	Ms. Deepika Gupta	Additional Non-Executive Director	Appointment	20.05.2024

Retire by Rotation

During the year under consideration Mr. Hari Om Rai – Chairman & Managing Director having DIN 01191443 and Mr. Vishal Sehgal – Director having DIN 03127049 retired by rotation at the Annual General Meeting held on December 30, 2022.

Further in accordance with the provision of Section 152 of the Companies Act, 2013, read with the Articles of Association of the Company, Mr. Shailendra Nath Rai having DIN: 00908417 and Mr. Sunil Bhalla having DIN: 00980040, directors of the Company, will retire by rotation and being eligible offers themselves for their re-appointment at the forthcoming Annual General Meeting of the Company.

Changes in Key Managerial Personnel

During the year under review, Mr. Asitava Bose resigned with effect from July 18, 2022 from the position of Chief Financial Officer. Consequent upon his resignation, Mr. Nirav Girishbhai Raval was appointed as Chief Financial Officer (Key Managerial Personnel) of the Company with effect from July 18, 2022.

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

Further, post closure of the Financial Year under review Mr. Naveen Kumar (Membership No. A48279) resigned from the position of Company Secretary and Compliance Officer of the Company with effect from 31st August 2023. Consequent upon his resignation, Ms. Preeti, an Associate Member of Institute of Company Secretary of India possessing membership No. A53938 was appointed as Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with effect from 1st September, 2023.

10. MEETINGS OF BOARD OF DIRECTORS

During the year under review, 8 (Eight) meetings of the Board of Directors were held. The intervening gap between two consecutive meetings was not more than the period prescribed under Companies Act, 2013.

The Board meeting dates are as under:-

S. No.	Date of Meeting	Total Number of Directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1.	07.04.2022	8	3	37.5%
2.	13.05.2022	8	3	37.5%
3.	18.07.2022	8	3	37.5%
4.	20.08.2022	8	3	37.5%
5.	30.08.2022	8	7	87.5%
6.	03.12.2022	8	3	37.5%
7.	08.12.2022	8	4	50%
8.	16-03-2023	8	4	50%

MEETINGS OF COMMITTEE'S

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

A) AUDIT COMMITTEE

The Audit Committee was constituted by a resolution of the Board dated September 22, 2014 and the Audit Committee as on 31st March 2023 comprised of the following members:

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

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

S. No.	Date of Meeting	Total Number of members associated as on the date of meeting	Attendance	
			Number of members attended	% of attendance
1.	31.04.2022	4	2	50%
2.	18.07.2022	4	2	50%
3.	30.08.2022	4	4	100%
4.	05.12.2022	4	3	75%

Further, the Audit Committee was last reconstituted on April 16, 2024 in compliance with section 177 of the Companies Act, 2013.

Sr. No.	Name of member	Designation
1	Mr. Anupam Shrivastava	Chairman
2	Mr. Ajay Kumar Singh	Member
3	Mr. Shailendra Nath Rai	Member
4	Ms. Preeti	Secretary

B) NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Nomination, Remuneration and Compensation Committee was constituted by a resolution of the Board dated June 20, 2011 and The Nomination, Remuneration and Compensation Committee as at 31st March 2023 comprised of the following members:

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

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

S. No.	Date of Meeting	Total Number of members associated as on the date of meeting	Attendance	
			Number of members attended	% of attendance
1	01.04.2022	4	2	50%
2	07.04.2022	4	2	50%
3	20.06.2022	4	2	50%
4	18.07.2022	4	2	50%
5	03.10.2022	4	2	50%
6	03.12.2022	4	2	50%

Further, the Nomination, Remuneration and Compensation Committee was last reconstituted on April 16, 2024 in compliance with section 178 of the Companies Act, 2013. The Committee currently comprised of the following members:

Sr. No.	Name of member	Designation
1	Mr. Anupam Shrivastava	Chairman
2	Mr. Ajay Kumar Singh	Member
3	Mr. Sunil Bhalla	Member
4	Mr. Vishal Sehgal	Member

C) IPO COMMITTEE

The Board has also constituted an IPO Committee pursuant to a resolution dated May 18, 2021. During the Financial Year 2022-23, no meeting of IPO Committee was held.

Post closure of the financial year under consideration, the IPO Committee was dissolved w.e.f 1st September 2023.

D) OPERATIONAL COMMITTEE

For operational convenience, the Board of directors of the Company had constituted Operational Committee with effect from 17th February 2020. The Committee as on 31st March 2023 consists of:

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

Further, the Operational Committee was last reconstituted on 1st February 2024 with the following members:

Sr. No.	Name of member	Designation
1	Mr. Sunil Raina	Chairman
2	Mr. Sanjeev Agarwal	Member
3	Mr. Shailendra Nath Rai	Member

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

E) **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee was constituted by a resolution of the Board dated July 24, 2017 and the Stakeholders' Relationship Committee as at 31st March 2023 comprised of the following members:

Sr. No.	Name of member	Designation
1	Mr. Rahul Kansal	Chairman
2	Mrs. Chitra Gouri Lal	Member
3	Mr. Hari Om Rai	Member

Further, the Stakeholders' Relationship Committee was last reconstituted on April 18, 2024 with the following members:

Sr. No.	Name of member	Designation
1	Mr. Ajay Kumar Singh	Chairman
2	Mr. Sunil Raina	Member
3	Mr. Shailendra Nath Rai	Member

11. ANNUAL RETURN

Pursuant to Section 92 read with Rule 12 of the Companies (Management and Administration)Rules, 2014, the Annual Return of the Company for the F.Y. 2022-2023 shall be placed on the website of the Company at https://www.lavamobiles.com/investor-relations.aspx

12. PUBLIC DEPOSITS

During the Financial Year 2022-23, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

14. SECRETARIAL STANDARD

During the year 2022-2023, the Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

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

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

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

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

16. STATUTORY AUDITORS AND STATUTORY AUDIT REPORT

At the Extra-Ordinary General Meeting of the Company held on 28th February 2024, M/s Raj Gupta & Co., Chartered Accountants (FRN: 00203N) were appointed as the Statutory Auditors of the Company until the conclusion of the Annual General Meeting to be held for the Financial Year ended 31st March, 2023 and that they shall conduct the Statutory Audit for the Financial Year 2022-23.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

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

17. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Kumar Wadhwa & Company, Company Secretaries were appointed as Secretarial Auditors for conducting the secretarial audit of the Company for the financial year 2022-23. The Secretarial Audit Report in form MR-3 is annexed herewith as **Annexure-B"**. The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

18. DISCLOSURE ABOUT COST AUDIT

As per the Cost Audit Orders, Cost Audit is applicable to the Company's products/ business inrespect of Electricals or Electronic Machinery (mobile phones, tablets and communication equipment) for financial year 2022-23.

In view of the same and in terms of the provisions of Section 138 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. MM & Associates, Cost Accountants were appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2022-23.

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

Your Board has appointed M/s. MM & Associates, Cost Accountants, as Cost Auditors of the Company for conducting cost audit for Financial Year 2023-24. A resolution seeking approval of the Members for ratifying the remuneration of Rs. 50,000/-(Rupees Fifty Thousand Only) plus applicable taxes, travel and actual out-of-pocket expenses payable to the Cost Auditors for Financial Year 2023-24 is provided in the Notice to the ensuing Annual General Meeting.

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments under Section 186 of the Companies Act 2013 have been disclosed in note no. 6, 7(a) and 7(b) of the standalone financial statements and note no. 6(a) and 6(b) of the consolidated financial statement for the financial year ended 31.03.2023.

20. TRANSACTIONS WITH RELATED PARTIES

During the year, none of the transactions with related parties came under the purview of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2022-23 and hence, does not form part of this report.

21. CORPORATE SOCIAL RESPONSIBILITY

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

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted by a resolution of the Board dated September 22, 2014 and the Corporate Social Responsibility Committee as on 31st March 2023 comprised of the following members:

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

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

S. No	Date of Meeting	Total Number of Directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1	15.03.2023	3	2	66.66%

Further, the Corporate Social Responsibility Committee was last reconstituted on March 28, 2024. The Committee currently consists of following members:

Sr. No.	Name of member	Designation
1	Mr. Sunil Raina	Chairman
2	Mr. Shailendra Nath Rai	Member
3	Mr. Anupam Shrivastava	Member

22. INSURANCE

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

23. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls commensurate with nature and size of the business activity and with reference to the financial statements. The controls comprise of policies and procedures for ensuring orderly and efficient conduct of the Company's business, including adherence to its policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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

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

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

25. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2022-23 to which the financial statements relate and the date of the report.

26. DIRECTORS RESPONSIBILITY STATEMENT

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

a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
b. Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit and loss of the Company for the year ended March 31, 2023;
c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. The annual accounts have been prepared on a going concern basis;
e. Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
f. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

28. PREVENTION OF SEXUAL HARASSMENT POLICY

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

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

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

29. VIGIL MECHANISM POLICY

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

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

30. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was constituted by a resolution of the Board dated July 24, 2017 and was reconstituted from time to time. The Risk Management Committee as on 31st March 2023 comprised of the following members:

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

During the Financial Year 2022-23, no meeting of Risk Management Committee was held.

Further, the Risk Management Committee was last reconstituted on April 16, 2024. The Committee currently comprises of the following members:

Sr. No.	Name of member	Designation
1	Mr. Shailendra Nath Rai	Chairman

2	Mr. Ajay Kumar Singh	Member
3	Mr. Sunil Raina	Member

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

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

32. EMPLOYEE STOCK OPTION

Under the various ESOP Plan, a total of 4,97,27,450 numbers of stock options were outstanding atthe end of the year under consideration. Details of options vested, exercised and cancelled are provided in note 38 to Financial statement and **Annexure –E** to this report.

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

During the period ended March 31, 2023, your Company has not made any one time settlement in respect any loan taken from Banks or Financial Institutions.

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

During the period ended March 31, 2023, neither any application is made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

35. LOANS FROM DIRECTOR

Pursuant to the provisions of section 73 of the Companies Act, 2013 read with Rule 2(1)(c)(viii) of Companies (Acceptance of Deposits) Rules, 2014, during the financial year, the Company had borrowed money from its Directors as tabulated below and at the time of giving the money they had also furnished a declaration to the company, that the money has not been given out of funds acquired by borrowing or accepting loans or deposits from others.

Sr. No.	Name of the Director	Date of Borrowing/ Repayment	Amount (In Rs.)
1	Mr. Hariom Rai	20-05-2022	34,000,000
2		30-06-2022	35,000,000
3		30-08-2022	15,000,000
4		02-01-2023	10,000,000
		Total Borrowings	**94,000,000**
1		25-05-2022	34,000,000
2		31-05-2022	800,000
3		31-12-2022	10,000,000
4		08-02-2023	15,000,000
5		06-03-2023	35,000,000
		Total Repayment*	**94,800,000**

*Excess payment has been made against outstanding balance as on 01st April 2022. Outstanding balance as on 31st March 2023 is Rs. 5,200,000.

36. REMUNERATION TO DIRECTORS

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

Sr. No.	Name of Director	Designation	Gross Remuneration	Sitting Fees
1	Hari Om Rai	Managing Director	Nil	Nil
2	Shailendra Rai	Whole time director	1,11,93,120	Nil
3	Vishal Sehgal	Director	Nil	Nil
4	Sunil Bhalla	Director	Nil	Nil
5	Rahul Kansal	Independent Director	Nil	4,20,000
6	Chitra Gouri Lal	Independent Director	Nil	3,20,000
7	Vinod Rai	Independent Director	Nil	6,00,000
8	Vinod Sharma	Independent Director	Nil	2,20,000

ACKNOWLEDGMENT

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

For and on behalf of the Board
For Lava International Limited

sd/-
Sunil Raina
Whole Time Director
DIN: 09302068

sd/-
Shailendra Nath Rai
Whole Time Director
DIN:00908417

Place: Noida
Date:26.06.2024

Annexure – "A"

Form AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details					
1	**Name of the subsidiary**	* Lava International (HK) Ltd. (Console) (Based in Hong Kong)		Lava Technologies DMCC (Based in Dubai)		Xolo International (H.K.) Ltd. (Based in Hong Kong)	
2	The date since when subsidiary was acquired	20/12/2010		20/02/2017		10/02/2015	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA		NA		NA	
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	*HK $	Converted in Rs.	*AED	Converted in Rs.	*U S $	Converted in Rs.
5	Share capital	10.00	57.46	18.37	339.74	0.01	0.82
6	Reserves & surplus	288.01	2774.37	22.02	492.72	7.64	626.62
7	Total assets	386.77	4049.19	57.62	1289.31	21.31	1750.97
8	Total Liabilities	111.76	1170.13	17.23	385.54	13.64	1121.29
9	Investments	6.19	64.82	-	-	-	-
10	Turnover	1354.58	13879.51	158.69	3471.37	124.24	9978.96
11	Profit before taxation	21.62	221.54	1.74	38.07	1.81	146.37
12	Provision for taxation	-	-	-	-	-	-
13	Profit after taxation	21.62	221.54	1.74	38.07	1.81	146.37
14	Proposed Dividend	-	-	-	-	-	-
15	Extent of shareholding	100%		100%		100%	

Sl. No.	Particulars				
1	Name of the subsidiary	Lava Technologies LLC (Based in USA)		China Bird Centro America, S.A (Console) (Based in Panama)*	
2	The date since when subsidiary was acquired	14/05/2018		16/09/2021	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA		NA	
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD	INR	*USD $	Converted in Rs.
5	Share capital	0.40	26.79	16.35	1203.67
6	Reserves & surplus	0.11	8.87	8.30	682.10
7	Total assets	0.52	42.53	50.36	4138.62
8	Total Liabilities	0.01	1.22	25.71	2112.87
9	Investments	-	-	15.15	1245.04
10	Turnover	-	-	66.16	5474.44
11	Profit before taxation	-	-	2.88	239.58
12	Provision for taxation	-	-	0.02	1.41
13	Profit after taxation	-	-	2.97	238.17
14	Proposed Dividend	-	-	-	-
15	% of shareholding	100%		100%	

*China Bird Centro America, S.A became subsidiary of Lava International w.e.f 16th September 2021.

Sl. No.	Particulars	Details			
1	**Name of the subsidiary**	**Lava Enterprise Limited**	**Sojo Distribution Private Limited (SDPL)**	**Sojo Manufacturing Services Private Limited (SMSPL)**	**Sojo Manufacturing Services (AP) Private Limited (SMSAPPL)**
2	The date since when subsidiary was acquired	25/07/2016	27/05/2016	02/06/2016	27/05/2016
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR
5	Share capital	52.56	0.15	22.20	38.60
6	Reserves & surplus	-1.23	-10.02	-1.45	-2.15
7	Total assets	51.66	17.53	31.28	38.11
8	Total Liabilities	0.32	27.47	10.53	0.66
9	Investments	50.43	-	11.84	0.26
10	Turnover	-	-	-	-
11	Profit before taxation	-0.12	-5.94	-0.15	-1.48
12	Provision for taxation	-0.17	-2.61	-	0.10
13	Profit after taxation	0.05	-3.32	-0.15	-1.58
14	Proposed Dividend	-	-	-	-
15	% of shareholding	99.02%	90%	99.96%	99.97%

Notes -

1) Reporting period for all the aforesaid entities are 31st March 2023
2) Closing Exchange Rate for balance sheet : HKD 1 = Rs. 10.4698 ; AED 1=Rs 22.376; USD 1 = Rs. 82.1807;
3) Average Exchange rate for Profit & loss a/c : HKD 1= Rs. 10.2460 ; AED 1= Rs. 21.8708; USD 1= Rs. 80.31
4) Historical rate for Share capital : HKD 1= 5.75 ; AED 1= 18.49 ; USD (Mau) 1 =64.24 ,USD (LLC) 1= 71.96 ; USD (DBC) 1= 73.61

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

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

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	MagicTel Solutions Pvt. Ltd.
1. Latest audited Balance Sheet Date	As at 31st March 2023
2. Date on which the Associate or Joint Venture was associated or acquired	17/12/2012
3. Shares of Associate/Joint Ventures held by the company on the year end	
- No. [1]	2500 shares of Rs. 10/- per share
- Amount of Investment in Associates/Joint Venture [1]	Rs. 25,000
- Extend of Holding% [1]	25%
4. Description of how there is significant influence	25% of shareholding is held by the Company
5. Reason why the associate/joint venture is not consolidated	Not Applicable
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 12.67 million (25% is considered in consolidation of financial statement)
7. Profit for the year	
i. Considered in Consolidation	Rs. (2.18) million
ii. Not Considered in Consolidation	Nil

Notes:

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

Name of associates/Joint Ventures	Yamuna Electronics Manufacturing Cluster Private Limited
1. Latest audited Balance Sheet Date	As at 31st March 2023
2. Date on which the Associate or Joint Venture was associated or acquired	02/02/2016
3. Shares of Associates/Joint Venture held by the company on the year end	
- No. [1]	5,227,529 shares of Rs. 10/- per share
- Amount of investment in Associates/Joint Venture [1]	Rs. 52,275,390
- Extend of Holding% [1]	45.33% (effective holding)
4. Description of how there is significant influence	Through the shareholder agreement of Yamuna Electronics manufacturing cluster private limited
5. Reason why the associate/joint venture is not consolidated	-
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 47.87 million (45.33% is considered in consolidation of financial statement)
7. Loss for the year	
i. Considered in Consolidation	Rs. (0.04) million
ii. Not Considered in Consolidation	Nil

Effective holding of the Company has been considered for above information.

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

"Annexure B"

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 No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lava International Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, we hereby report that in our opinion, the Company has, during the audit period 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:

➢ We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Lava International Limited** ("**The Company**") for the period ended on March 31, 2023 according to the provisions of:

I. The Companies Act, 2013 (**the Act**) and the Rules made there under;

II. 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; **However, according to regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations, 2022 Company have Overseas investment which is required to be reported by the company through annual performance report to the RBI every year by 31st December.**

III. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company: -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable as Company is an unlisted Company.**

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not Applicable as Company is an unlisted Company.**

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **The Draft offer document filed with Security Exchange Board of India (SEBI) on September 29 ,2021 by the Company was returned by the Market Regulators to the Company on January 13, 2023 with an advice to refile it post applicable updates/revisions.**

d. (d) The Securities and Exchange Board of India (Share Based Employee benefits and Sweat Equity) Regulations, 2021; **Not Applicable as Company is an unlisted Company.**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021: **Not Applicable as Company is an unlisted Company.**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; **Not Applicable as Company is an unlisted Company.**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable as Company is an unlisted Company.**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as Company is an unlisted Company.**

i. The Listing Agreements entered into by the Company with any stock exchange(s); **Not Applicable as Company is an unlisted Company.**

j. The Securities and Exchange Board of India (Listing obligations and Disclosures Requirements) Regulations, 2015. **Not Applicable as Company is an unlisted Company.**

IV. The Memorandum and Articles of Association.

➢ **We have also examined compliance with the applicable clauses of the following:**

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

ii) The Listing Agreements entered into by the Company with any stock exchange(s); **Not Applicable as Company is an unlisted Company.**

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

➢ **We further report that the Company has, in my opinion, complied with the applicable provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and rules made there under along with the Memorandum and Articles of Association of the Company, with regard to:**

a) Maintenance of various statutory registers and documents and making necessary entries therein;
b) Closure of the Register of Members.
c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government; Service of documents by the Company on its Members, Auditors and the Registrar of Companies.
d) Notice of Board Meetings.
e) The Meetings of Directors including passing of resolutions by circulation.
f) The Annual General Meeting for Financial Year 2021-22 was held on 30.12.2022.
g) Minutes of proceedings of General Meetings and of the Board.
h) Approvals of the Members, the Board of Directors, and the government authorities, wherever required;
i) Constitution of the Board of Directors, appointment, retirement and reappointment of Directors;
j) Appointment and remuneration of Auditors;
k) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;

l) Borrowings and registration, modification and satisfaction of charges wherever applicable;
m) investment of the Company's funds including investments and loans to others;
n) Form of Balance Sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
o) Directors' Report;
p) Contracts, common seal, registered office and publication of name of the Company; and
q) Generally, all other applicable provisions of the Act and the Rules made under the Act.

➤ **We further report that:**

- The Board of Directors of the Company is duly constituted. There are no changes in the composition of the Board of Directors during the financial year 2022-2023 as per the provision of the Companies Act, 2013. Adequate notice is given to all Directors to attend the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

- The Company has obtained all necessary approvals under the various provisions of the Act; and

- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

- **We further report that:**
  There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

➤ **We further report that:**

- During the audit period there was no specific event/ action has major impact on the affairs of the Company in pursuance of above referred laws, rules, regulations, guidelines, standards etc.

- This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For Kumar Wadhwa & Company
Company Secretaries

Sd/-

Place: New Delhi
Date: 25/06/2024

SANJAY KUMAR
(Partner)
C.P. NO. 7027
UDIN: F009211F000614959

Annexure A to Secretarial Audit Report

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

Management's Responsibility

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

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

6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For Kumar Wadhwa & Company
Company Secretaries

Sd/-

Place: New Delhi
Date: 25/06/2024

SANJAY KUMAR
(Partner)
C.P. NO. 7027
UDIN: F009211F000614959

Annexure - C

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

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

2. **Composition of CSR Committee:**

The Corporate Social Responsibility Committee was constituted by a resolution of the Board dated September 22, 2014 and the Corporate Social Responsibility Committee as on 31st March 2023 comprised of the following members:

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rahul Kansal	Chairman Independent Director	1	0
2	Mr. Hariom Rai	Member/Managing Director	1	1
3	Mr. Shailendra Nath Rai	Member/Whole Time Director	1	1

Further, the Corporate Social Responsibility Committee was last reconstituted on March 28, 2024. The Committee currently comprised of the following members:

Sr. No.	Name of member	Designation
1	Mr. Sunil Raina	Chairman
2	Mr. Shailendra Nath Rai	Member
3	Mr. Anupam Shrivastava	Member

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

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

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate SocialResponsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Rs. 237.68 Lakh

6. **Average net profit of the company as per section 135(5).:** *Rs. 5014.2 Lakhs*

7. (a) Two percent of average net profit of the company as per section 135(5): *Rs. 100.3 Lakhs*

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

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

   (d) Total CSR obligation for the financial year (7a+7b- 7c): *Rs. 100.3 Lakhs*

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

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

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

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Lakhs).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number.
1	Design and Fabrication of RF energy harvesting framework for battery operated devices	Contribution to incubators or research and development projects	YES	DELHI	-	100.30	NO	M/s Graphic Era Educational Society	CSR00024477

Amount spent in Administrative Overheads : *Nil*

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

(e) Total amount spent for the Financial Year (8b+8c+8d+8e): *Rs. 100.3 Lakh*

(f) Excess amount for set off, if any: *Rs. 237.68 lakh (will be setoff in succeeding years)*

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

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

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

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

Annexure – "D"

INFORMATION AS PER SECTION 134 (3) (m) READ WITH THE COMPANIES (ACCOUNTS) RULES 2014 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2023

FORM A

CONSERVATION OF ENERGY:

a) **Energy Conservation measures taken:**
The operations of the company are of such nature that energy consumption is on a lower side. However, your company continues to invest in replacement of low energy efficiency systems and take adequate measures in order to conserve energy.

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

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

FORM 'B'

TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

1. RESEARCH & DEVELOPMENT (R&D)

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

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

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

- The company has established state of the art R&D center at Noida Sector 64 in order to design & develop Feature phone and Smartphones. the R&D Center has accorded by DSIR. Lava R&D Center has end to end capabilities for Industrial design, Mechanical design and Hardware and Software design.
- Currently from Design Center 100% Feature phones has been designed, schematized, developed and manufactured to meet the requirements of domestic as well as globalmarket. We have built up capabilities to deliver 5G phones and successfully delivered Smart phones from design center which deliver better UX experience and durability level.
- Developed ability to design device drivers in areas of MIPI, I2C, Linux imaging interface and tuning and aide end to end development of camera hardware in India.

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

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

c. Future Plan of action

Project Deliveries and to develop and build software solutions which enables the customers to engage with right content and services and also build solutions for better customer experience and features.

d. Expenditure on R&D*

Expenditure	FY 2022-23 Amount (in Rs million.)	FY 2021-22 Amount (in Rs million.)
Amount Charged to Statement of Profit & Loss	155.88	128.92
Amount capitalized		
(i) Intangible Assets	-	-
(ii) Property, plant & equipment	11.89	10.36
TOTAL	**167.77**	**139.28**
Total R & D Expenditure as a % of Total Turnover	**0.71%**	**0.76%**

Above figures are shown on standalone basis.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a. Efforts made towards technology absorption, adaptation and innovation

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

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

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

c. Information about Imported Technology

I	**Technology imported:**	N.A.
II	**Year of Import:**	N.A.
III	**Has Technology been fully absorbed:**	N.A.
IV	**If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.**	N.A.

3) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

Total Foreign Exchange used and earned:

(Rs. In Million)

		FY 2022-23 Amount (in Rs million.)	FY 2021-22 Amount (in Rs million.)
Earnings	FOB value of exports	415.72	1182.75
Out go	CIF value of imports	12,383.40	11,237.10
	Expenditure in Foreign Currency	140.49	83.70

Annexure-E

EMPLOYEE STOCK OPTION

Sr. No.	Particulars		Lava Employee Stock Option Plan 2020 – I ("ESOP 2020-I")	Lava Employee Stock Option Plan 2020 – II ("ESOP 2020-II")	Lava Employee Stock Option Plan 2016 ("ESOP 2016")	Total
1	Number of Options granted during FY 2022-23		12,01,372	-	-	12,01,372
2	Number of Options vested during FY 2022-23		19,22,394	-	-	-
3	Number of Options Settled/exercised during FY 2022-23		1,32,363	-	-	1,32,363
4	Number of shares arising as a result of exercise of options		-	-	-	-
5	Number of options forfeited / lapsed during FY 21-22		4,32,907	-	-	4,32,907
6	The Exercise Price (weighted average for the grant made during the year)		24.36	-	-	-
7	Variation of the terms of option		-	-	-	-
8	Money realized by exercise of options		-	-	-	-
9	Total no. of options in force as at 31.03.2023		91,36,447	2,04,44,744	2,51,47,333	4,57,27,390
10	Employee wise details (name of employee, designation, number of options granted during the year (2022-23), exercise price) of options granted to:		-	-	-	-
	(a) Key Managerial Personnel;		-	-	-	-
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year; and	Alok Shrivastava, 87202 options, Exercise Price- Rs.24.36		-	-	-
		Kushal Singh Chauhan, 69762 options, Exercise Price- Rs.24.36		-	-	-
		Shatrughn Mishra, 61042 options, Exercise Price- Rs.24.36		-	-	-
		Bijay Kumar Dubey, 61042 options, Exercise Price- Rs.24.36		-	-	-
		Anurag Bansal, 139528 options, Exercise Price- Rs.24.36		-	-	-
		Amit Gupta, 69762 options, Exercise Price- Rs.24.36		-	-	-
		Rajinder Kumar, 69762 options, Exercise Price- Rs.24.36		-	-	-
	(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant		-	-	-	-

INDEPENDENT AUDITORS' REPORT

To the members of Lava International Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Lava International Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2023, the standalone statement of Profit and Loss including Other Comprehensive Income, the standalone statement of changes in Equity and the standalone statement of cash flows for the year then ended, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements").

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

Basis for Opinion

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

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

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

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

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

Other Matter

The standalone financial statements of the Company for the year ended March 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on September 30, 2022.

Balances amounting to Rs. 6,635.50 million of aged trade receivables and other receivables have been adjusted on account of expected credit loss in the retained earnings in the current financial year as it pertains to earlier financial years.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

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

(g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors is in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

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

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

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

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 48 to the standalone financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 49 to the Standalone Financial Statement, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

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

For Raj Gupta and Company
Chartered Accountants
Firm Registration No. 000203N

Gaurav Bansal
Partner
Membership No. 553645

UDIN: 24553645BKCPHG5886

Place: Noida
Date: March 26, 2024

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

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

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

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

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

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

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

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

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

(iii) (a) On the basis of examination of records of the Company and information and explanation given to us, during the year the Company has not provided any security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms,

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Limited Liability Partnerships, or any other parties except guarantees given to other parties in respect of certain purchases on credit terms.

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

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

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 with the appropriate authorities on account of any dispute are as follows:

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Name of Statute	Nature of the dues	Amount of Dispute (in Rs. millions)	Amount not paid (in Rs. millions)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1.24	1.24	2015-16	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	25.40	20.35	2016-17	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	46.11	45.11	2019-20	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	8.94	8.94	2020-21	The Commissioner of Income Tax (Appeals)
Bihar VAT Act	Sales Tax	57.00	31.89	2009-17	Hon'ble Bihar Commercial Tax, Tribunal, Patna
Bihar VAT Act	Sales Tax	1.45	1.45	2013-14	Assistant Commissioner, Bihar Commercial Tax
Chandigarh VAT Act	Sales Tax	1.08	0.76	2009-15	Pending before P&C High Court
Chhattisgarh VAT Act	Sales Tax	0.43	0.37	2016-17	Additional Commissioner Appeals
Karnataka VAT Act	Sales Tax	5.58	5.58	2013-14	Pending before Tribunal
Karnataka VAT Act	Sales Tax	0.06	0.04	2012-13	Pending before Dept.
Kerala VAT Act	Sales Tax	3.53	2.37	2009-12	The Deputy Commissioner (Appeal) Ernakulam
Maharashtra VAT Act	Sales Tax	23.77	20.84	2012-17	Pending before Tribunal
Punjab VAT Act	Sales Tax	12.59	9.44	2009-13	Pending before P&C High Court

Rajasthan VAT Act	Sales Tax	15.85	9.18	2009-13	Pending before Supreme Court
Seemandhra VAT Act	Sales Tax	17.90	13.43	2014-15 and 2015-16(Jun'14 to Dec'15)	Pending before Hyderabad High Court
Tamil Nadu VAT Act	Sales Tax	1.51	1.34	2011-14	Commercial Tax Department, Tamil Nadu
Telangana VAT Act	Sales Tax	283.70	212.78	Feb'14 to Mar'15 and 2015-17	High Court Judicature at Hyderabad
Customs Act	Social Welfare Duty	23.71	22.15	Feb'18 – Jul'19	Pending before CESTAT

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

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

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

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

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

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

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

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

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

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

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

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

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

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

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

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

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

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

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

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

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

(xviii) There has been resignation of the previous statutory auditors and there are no issues, objections or concerns raised by the outgoing auditors.

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

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

For Raj Gupta and Company
Chartered Accountants
Firm Registration No. 000203N

Gaurav Jindal
Partner
Membership No. 553645

UDIN: 24553645BKCPGG5886

Place: Noida
Date: March 26, 2024

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Annexure B to the Independent Auditors' Report
[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

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

We have audited the internal financial controls with reference to financial statements of **Lava International Limited** ("the Company") as of March 31, 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

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Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

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

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

Opinion

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

For Raj Gupta and Company
Chartered Accountants
Firm Registration No. 000203N

Gaurav Jindal
Partner
Membership No. 553645
UDIN: 24553645BKCPGW5886
Place: Noida
Date: March 26, 2024

Lava International Limited
Standalone balance sheet as at 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I. Assets			
Non-current assets			
Property, plant and equipment	3	568.05	580.09
Capital work-in-progress	3	191.96	182.24
Intangible assets	4	14.01	12.89
Right of use assets	5	116.89	138.16
Financial Assets			
Investment in subsidiaries and associate	6	4,256.57	4,256.55
Other financial assets	7 (f)	103.39	59.72
Deferred tax assets (net)	23 (c)	397.45	315.40
Other non-current assets	9 (a)	208.17	96.84
		5,766.38	5,623.96
Current assets			
Inventories	8	4,394.99	4,333.06
Financial assets			
Investments	7 (b)	28.73	-
Trade receivables	7 (c)	3,542.83	8,542.84
Cash and cash equivalents	7 (d)	771.09	724.33
Other bank balances	7 (e)	914.95	1,084.36
Other financial assets	7 (g)	351.33	1,089.24
Other current assets	9 (b)	3,541.22	2,380.00
		11,544.56	18,133.80
TOTAL ASSETS		17,310.94	23,757.76
II. Equity and liabilities			
Equity			
Equity share capital	10	2,709.63	2,705.63
Instruments entirely equity in nature	10	33.42	33.42
Other equity			
Securities premium		3,690.34	3,690.34
Share based payment reserve		372.34	353.41
Retained earnings		765.30	7,043.16
Other reserve		17.31	17.31
Total Equity		7,583.94	13,843.27
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	11 (a)	229.82	324.70
Lease liabilities	11 (d)	109.47	132.43
Provisions	12 (a)	59.34	56.51
		398.63	513.73

Lava International Limited
Standalone balance sheet as at 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
Current liabilities			
Financial liabilities			
Borrowings	11 (b)	1,815.08	1,801.23
Lease liabilities	11 (e)	38.40	30.16
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	11 (c)	132.17	241.90
- total outstanding dues other than micro enterprises and small enterprises	11 (c)	3,286.79	3,171.08
Other financial liabilities	11 (f)	1,512.40	1,354.38
Other current liabilities	13	301.52	406.30
Provisions	12 (b)	133.79	147.55
Current tax liabilities (net)	14	108.16	236.20
		7,328.37	7,388.76
TOTAL EQUITY AND LIABILITIES		17,310.98	23,767.76

Summary of significant accounting policies. 2.1

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

As per our report of even date as attached

For Raj Gupta and Company
Chartered Accountants
Firm's Registration No.: 000203N

Gaurav Gupta
Partner
Membership No. 553645

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

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

Sunil Bhalla
Director
(DIN-00030040)

Vishal Sehgal
Director
(DIN-02127049)

Sunil Raina
Whole-Time Director
(DIN-00381069)

Sanjeev Agarwal

Sanjeev Agarwal
Whole-Time Director
(DIN-07138183)

Ashaya Dixit
Chief Financial Officer

Preeti
Company Secretary
(M. No.: A33933)

Place: Noida
Date: March 26, 2024

Place: Noida
Date: March 26, 2024

Lava International Limited
Standalone statement of profit and loss for the period ended 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	15	22,056.75	18,222.30
Other income	16	273.08	201.17
Total income (I)		22,329.83	18,423.43
Expenses			
Cost of raw material and components consumed	17	16,913.21	11,471.79
Purchase of traded goods		720.53	2,618.31
Changes in inventories of finished goods, spares and stock in trade	18	(0.40)	262.76
Employee benefits expense	19	1,482.68	1,418.89
Other expenses	20	2,138.32	1,587.72
Total expense (II)		21,273.95	17,366.47
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)		1,055.87	1,057.60
Depreciation and amortisation expense	21	220.61	194.83
Finance costs	22	366.41	302.17
Profit before tax		462.85	564.96
- Current tax		118.05	261.30
- Tax charge/(credit) relating to earlier years		(16.98)	(16.71)
- Deferred tax expense/(income)		8.48	(86.52)
Income tax expense	23	109.55	158.67
Profit for the year		353.30	405.49
Other comprehensive income			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods			
- Re-measurement (gains)/losses of defined benefit plan	28	(2.71)	0.07
- Income tax relating to this item		(0.43)	(0.02)
Other comprehensive (income)/loss for the year		(2.14)	0.05
Total comprehensive income for the year		355.44	405.44

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Lava International Limited

Standalone statement of profit and loss for the period ended 31 March 2023

(All amounts in Indian Rupees million unless otherwise stated)

Particulars	**Note No.**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Earnings per equity share (in rupees)	24		
Basic		0.65	0.77
Diluted		0.60	0.70
Summary of significant accounting policies	2.1		

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

As per our report of even date as attached

For Raj Gupta and Company
Chartered Accountants
Firm's Registration No.: [illegible]

Gaurav Jindal
Partner
Membership No. 557645

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

Shailendra Nath Rai
Whole-Time Director
(DIN-00008417)

Sunil Bhalla
Director
(DIN-[illegible])

Vishal Sehgal
Director
(DIN-[illegible])

Sunil Raina
Whole-Time Director
(DIN-[illegible])

Sanjeev Agarwal
Whole-Time Director
(DIN-[illegible])

Ashtava Bose
Chief Financial Officer

Preeti
Company Secretary
(M. No.- [illegible])

Place: Noida
Date: March 26, 2024

Place: Noida
Date: March 26, 2024

Lesa International Limited
Standalone statement of changes in equity for the period ended 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

a. Equity share capital

Balance as at 01 April 2022	Changes in equity share capital due to prior period errors	Restated balance at 01 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
2705.63	Nil	2705.63	Nil	2705.63

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

b. Instruments entirely equity in nature

Balance as at 01 April 2022	Changes in instruments entirely equity in nature due to prior period errors	Restated balance at 01 April 2022	Changes in instruments entirely equity in nature during the year	Balance as at 31 March 2023
33.42	Nil	33.42	Nil	33.42

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

Lava International Limited
Standalone statement of changes in equity for the period ended 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

c. Other equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Securities premium [refer note (i)]	Share based payment reserve [refer note (ii)]	Debentures Redemption Reserve [refer note (iii)]	Retained earnings	FVTOCI - equity investment reserve [refer note (iv)]	
As at 31 March 2021	2,393.58	228.72	-	6,662.72	(7.69)	9,277.33
Total profit for the year	-	-	-	405.49	-	405.49
Other comprehensive income for the year	-	-	-	(0.05)	-	(0.05)
Total comprehensive income for the year	-	-	-	405.44	-	405.44
Share based payment expense	-	126.69	-	-	-	126.69
Shares issued during the year (refer note 16)	3,578.99	-	-	-	-	3,578.99
Right shares issued	1,000.86	-	-	-	-	1,000.86
Bonus shares issued	(1,282.09)	-	-	-	-	(1,282.09)
Debenture redemption reserve	-	-	25.00	(25.00)	-	-
As at 31 March 2022	5,690.34	355.41	25.00	7,043.16	(7.69)	13,106.22
Provision for expected credit loss (refer note 7a(i))*	-	-	-	(6,613.50)	-	(6,613.50)
Total profit for the year	-	-	-	333.30	-	333.30
Other comprehensive income for the year	-	-	-	2.14	-	2.14
Total comprehensive income for the year	-	-	-	(6,278.06)	-	(6,278.06)
Share based payment expense	-	16.83	-	-	-	16.83
Cash settled for share based options	-	(0.10)	-	-	-	(0.10)
As at 31 March 2023	5,690.34	372.14	25.00	765.10	(7.69)	6,844.89

*To comply with the requirement of Ind AS 109 - Financial Instruments, the Company has created total ECL of Rs. 6,613.50 million during the current financial year. As it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, in compliance with the requirements of para 44 of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, has been adjusted to the retained earnings.

Lava International Limited
Standalone statement of changes in equity for the period ended 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

Note:

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

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

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

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

Summary of significant accounting policies (refer note 2.1)

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

As per our report of even date as attached

For Raj Gupta and Company
Chartered Accountants
Firm's Registration No.: 000203N

Gaurav Jindal
Partner
Membership No. 553643

Place: Noida
Date: March 26, 2024

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

Shailendra Nath Rai
Whole-Time Director
(DIN-00008617)

Sunil Bhalla
Director
(DIN-00980040)

Vishal Sehgal
Director
(DIN-03127049)

Sunil Raina
Whole-Time Director
(DIN-09382069)

Sanjeev Agarwal
Whole-Time Director
(DIN-07110183)

Abhijit Bose
Chief Financial Officer

Preeti
Company Secretary
(M. No.: A37924)

Place: Noida
Date: March 26, 2024

Lava International Limited
Standalone cash flow statement for the period ended 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flow from operating activities		
Profit before tax	**462.89**	**564.06**
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization	226.64	194.82
(Profit)/ loss on sale of property, plant and equipment	(1.95)	0.08
Unrealised foreign exchange (gain)/ loss	(65.60)	(215.87)
Net (gain)/loss on sale of mutual fund investments	(0.30)	(0.35)
Fair value (gain)/loss on derivative financial instrument at FVTPL	1.96	(5.87)
Provision for share based payment Expenses	16.82	120.69
Provision for inventories obsolescence	(70.25)	5.28
Provision for trade receivables and advances	(0.20)	255.28
Amortization of prepaid security deposit	0.97	1.28
Interest expense	255.84	190.31
Interest income	(74.22)	(71.06)
Operating profit before working capital changes	**885.53**	**1,044.73**
Movements in working capital:		
Increase/ (Decrease) in trade payables and other liabilities	56.72	512.01
Increase/ (Decrease) in provisions	(10.72)	(11.34)
(Increase)/ Decrease in trade receivables	99.87	(1,274.70)
(Increase)/ Decrease in inventories	(21.40)	(1,094.30)
(Increase)/ Decrease in other assets	(294.03)	(37.06)
Cash generated from operations	**423.68**	**(1,161.72)**
Income taxes paid (net of refunds)	(55.46)	(386.58)
Net cash flow from / (used) in operating activities (A)	**368.22**	**(1,548.30)**
Cash flows from investing activities		
Purchase of property, plant and equipment including capital work in progress and intangibles	(130.60)	(402.32)
Proceeds from sale of property, plant and equipment (including intangibles)	3.16	0.17
Purchase of mutual fund investments	(32.50)	(415.98)
Sale of mutual fund investments	25.00	476.37
Investment in bank deposits	(2,839.60)	(943.02)
Maturity of bank deposits	2,995.09	1,441.00
Interest received	45.68	37.59
Net cash flow from / (used in) investing activities (B)	**28.11**	**543.81**
Cash flow from financing activities		
Proceeds from issue of right shares	-	1,020.00
Proceeds from issue of non convertible debentures	-	250.00
Proceeds from borrowings (non-current)	122.51	177.12
Payment of borrowings (non-current)	(114.02)	(70.65)
Proceeds/ (repayment) from borrowings (current) (net)	(94.22)	343.25
Payment of principal portion of lease liabilities	(33.80)	(23.75)
Interest paid on lease liability	(18.08)	(30.78)
Interest paid on borrowings	(215.08)	(122.63)
Net cash from / (used in) financing activities (C)	**(349.57)**	**1,547.74**
Net increase in cash and cash equivalents (A + B +C)	**46.76**	**543.25**
Cash and cash equivalents at the beginning of the year	724.33	181.08
Cash and cash equivalents at the end of the year	**771.09**	**724.33**

Lava International Limited
Standalone cash flow statement for the period ended 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Components of cash and cash equivalents		
Cash on hand	5.16	5.04
Balances with banks:		
On current accounts	23.77	149.45
Deposits with original maturity of less than three months	742.56	569.84
Total cash and cash equivalents [refer note 7 (i)]	**771.49**	**724.33**

Summary of significant accounting policies (refer note 2.1)

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

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

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

Cash flow from operating activities include Rs. 19.03 millions (31st March 2022 : Rs. 8.19 millions) being expenses towards Corporate social responsibility.

As per our report of even date as attached

For Raj Gupta and Company
Chartered Accountants
Firm's Registration No.: 000203N

Gaurav Jindal
Partner
Membership No. 551615

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188025

Shailendra Nath Rai
Whole-Time Director
(DIN-00006417)

Sunil Bhalla
Director
(DIN-00000000)

Vishal Sehgal
Director
(DIN-03127063)

Sunil Raina
Whole-Time Director
(DIN-00302069)

Sanjeev Agarwal
Sanjeev Agarwal
Whole-Time Director
(DIN-07110183)

Ashwin Bose
Chief Financial Officer

Preeti
Company Secretary
(M. No.: A52920)

Place: Noida
Date: March 26, 2024

Place: Noida
Date: March 26, 2024

1. **Corporate information**

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

The financial statements of the Company for the year ended 31[st] March 2023 were approved and authorised for issue by the board of directors in their meeting held on 26[th] March 2024.

2. **Basis of preparation**

a. **Statement of compliance**

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

b. **Basis of measurement**

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

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

c. **Use of estimates and judgements**

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

Significant estimates

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

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

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

Significant judgments

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

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

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

2.1 Summary of significant accounting policies

(a) Current vs Non-current classification

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

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

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

A liability is current when:

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

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

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

Operating cycle

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

(b) Functional and Presentation Currency

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

(e) Property, plant and equipment

i. Recognition and measurement

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

ii. Subsequent expenditure

Subsequent costs are capitalized on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

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

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

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

iii. Depreciation

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

Assets	Useful Lives	As per Schedule II
Office Equipment	5 Years	5 Years
Furniture and fixtures*	5 Years	10 Years
Demonstration Fixtures	2 Years	2 Years
Vehicles*	5 Years	10 Years
Computer and Computers	3 Years	3 Years
Plant and Machinery*		
Jigs	1 Years	1 Years
Other Plant and Machinery	5,12 Years	15,25 Years
Electrical Installations	10 Years	10 Years

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

Leasehold improvements are amortized over the useful life or 10 years whichever is less.

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

(d) Intangible assets

i. Recognition and initial measurement

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

ii Subsequent expenditure

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

iii. Amortization

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

Assets	Useful Lives
Computer software (over license period)	1-3 Years
Internally generated software	3 Years

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

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

Research and development costs

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

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

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

(e) Leases

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

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

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

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

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

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

(f) Impairment of non-financial assets

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

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

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

(g) Financial instruments

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

Financial assets

Recognition and initial measurement

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Classification and subsequent measurement

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

Financial assets at amortised cost

A 'financial assets' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most applicable to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets at FVTPL

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

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

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

Financial assets at FVTOCI

A 'financial assets' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss (P&L). Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Equity Investments

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

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

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

De-recognition

A financial asset is de-recognized when:

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. For the financial assets measured as at amortised cost, contractual revenue receivables, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may

transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

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

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

Financial guarantee contracts

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

De-recognition

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

Reclassification of financial assets

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

Offsetting financial instruments

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

(b) Derivative financial instrument

The Company uses derivative financial instruments i.e., forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

(i) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

(j) Inventories

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

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

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

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

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

(k) Revenue recognition

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

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

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

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

Sale of Goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Revenue mainly comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of GST, returns, sales incentives and discounts.

The Company has concluded that the Company is principal in all of its revenue arrangements since the Company is the primary obligor in all the revenue arrangements as the Company has pricing latitude and is also exposed to inventory and credit risks.

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

Sale of Services

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

Interest

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

Dividend Income

Dividend income is recognised when the Company's right to receive the amount has been established.

(All amounts in Indian Rupees million unless otherwise stated)

Incentive Income

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

Disaggregation of Revenue

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

Contract Balances:

Trade Receivables

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

Contract Assets

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

During financial year 2022-23, out of Rs. 10.30 million contract assets as on 31st March, 2022, invoicing for 82.40% has been done and Rs.1.81 million is pending for invoicing.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance as at beginning of the year	10.30 million	10.04 million
Deduction on account of reclassified to receivable	(51.94) million	(98.41) million
Recognized as revenue during the year	46.45 million	98.67 million
Balance as at end of the year	4.81 million	10.30 million

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

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance as at beginning of the year	351.11 million	347.06 million
Deduction on account of revenues recognized during the year	(216.77) million	(206.98) million
Addition on account of transaction	121.83 million	211.03 million
Balance as at end of the year	256.17 million	351.11 million

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

(f) *Foreign currencies*

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

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

At the balance sheet date, all monetary items denominated in foreign currency, are reported at the exchange rates prevailing at the balance sheet date and the resultant gain or loss is recognised in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

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

(m) Income taxes

Current income tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset or settle the liability on a net basis or simultaneously.

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

Deferred Income Tax

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

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

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

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

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

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

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

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

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

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

(o) Employee benefits

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

Defined Contribution plans

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

Defined benefits plans

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

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

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

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

Other short-term employee benefits

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

Share based payments

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

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

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

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

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

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

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

(n) Provisions and Contingent Liabilities

Provisions

General

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

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

Warranty provisions

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

Decommissioning liability

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

Contingencies

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

(p) Earnings per share

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

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

(q) Operating segment

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

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

(r) Borrowing costs

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

(s) Cash and cash equivalents

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

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

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

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

Ind AS compliant Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Company's financial position /performance.
Accordingly, the Company has elected to present earnings before net finance cost, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company

measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, and tax expense.

(v) Exceptional items

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

(w) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below.

Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

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

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

(All amounts in Indian Rupees million unless otherwise stated)

3 Property, plant & equipment

Particulars	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Vehicles	Demonstration fixtures	Leasehold improvements	Electrical installations	Total	Capital work-in-progress*
Gross Block										
As at 1st April 2021	771.48	36.79	72.76	163.27	17.46	128.11	384.37	0.80	1,575.04	32.76
Additions	140.30	-	0.77	14.09	-	-	-	-	155.76	195.84
Disposals / Capitalised	-	-	3.43	10.28	-	-	0.00	-	18.62	46.36
Other adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	911.78	36.79	74.20	167.78	17.46	128.11	384.35	0.80	1,721.27	182.24
Additions	135.78	-	2.82	31.09	3.26	-	1.13	0.06	173.95	10.83
Disposals / Capitalised	5.11	0.29	0.76	7.49	-	-	-	-	13.65	1.06
Other adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	1,042.45	36.50	76.27	191.38	20.72	128.11	385.48	0.86	1,881.57	191.99
Accumulated Depreciation										
As at 1st April 2021	321.07	34.99	66.20	152.98	11.26	127.83	282.66	0.21	997.17	-
Charge for the year	110.80	1.66	5.10	6.57	1.28	0.24	29.46	0.08	154.39	-
Disposals / Capitalised	-	-	0.09	10.29	-	-	-	-	10.38	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	431.87	36.64	71.21	149.26	12.54	128.05	312.12	0.29	1,141.18	-
Charge for the year	127.85	0.12	2.08	14.51	1.65	0.06	29.51	0.08	185.86	-
Disposals / Capitalised	5.10	0.29	0.64	7.49	-	-	-	-	13.52	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	563.62	36.47	72.65	156.28	14.19	128.11	341.63	0.37	1,313.52	-
Net Block										
As at 31 March 2023	478.83	0.03	3.62	35.10	6.53	-	43.85	0.49	568.05	191.99
As at 31 March 2022	479.91	0.15	2.99	18.52	4.92	0.06	72.23	0.51	580.09	182.24

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

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

(All amounts in Indian Rupees million unless otherwise stated)

Ageing of Capital work-in-progress: -

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	3-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	10.81	181.18	-	-	191.99
Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	**10.81**	**181.18**	-	-	**191.99**

	Amount
Projects which have exceeded their original timeline	181.18
Projects which have exceeded their original budget	-

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

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

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(All amounts in Indian Rupees million unless otherwise stated)

4 Intangible assets

Particulars	Computer softwares and licenses	Internally generated software	Total
Gross Block			
As at 1st April 2021	216.39	125.65	342.04
Additions	7.17	-	7.17
Disposals	-	-	-
Other adjustments	-	-	-
As at 31 March 2022	223.56	125.65	349.21
Additions	9.54	-	9.54
Disposals	0.02	-	0.02
Other adjustments	-	-	-
As at 31 March 2023	233.08	125.65	358.73
Accumulated Amortisation			
As at 1st April 2021	202.28	125.10	327.38
Charge for the year	6.81	2.13	8.94
Disposals	-	-	-
Other adjustments	1.58	(1.58)	-
As at 31 March 2022	210.67	125.65	336.32
Charge for the year	8.42	-	8.42
Disposals	0.02	-	0.02
Other adjustments	-	-	-
As at 31 March 2023	219.07	125.65	344.72
Net Block			
As at 31 March 2023	14.01	-	14.01
As at 31 March 2022	12.89	-	12.89

5 Right of use asset

Particulars	Office building	Factory building	Warehouse building	Vehicle	Total
Gross Block					
As at 1st April 2021	62.81	159.15	2.69	-	224.65
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2022	62.81	159.15	2.69	-	224.65
Additions	-	-	-	19.08	19.08
Disposals	-	-	-		-
As at 31 March 2023	62.81	159.15	2.69	19.08	243.73
Accumulated Depreciation					
As at 1st April 2021	18.58	43.64	0.79	-	63.01
Charge for the year	9.29	21.82	0.39	-	31.50
Disposals	-	-	-	-	-
As at 31 March 2022	27.87	65.46	1.18	-	94.51
Charge for the year	9.30	21.82	0.40	0.81	32.33
Disposals	-	-	-	-	-
As at 31 March 2023	37.17	87.28	1.58	0.81	126.84
Net Block					
As at 31 March 2023	25.64	71.87	1.11	18.27	116.89
As at 31 March 2022	34.94	93.69	1.51	-	130.14

(All amounts in Indian Rupees million unless otherwise stated)

6 **Investment in subsidiaries and associate**

	As at 31 March 2023		As at 31 March 2022	
	No of units	Amount	No of units	Amount
Unquoted equity investments fully paid-up				
Investments in equity instruments of subsidiaries (at cost)				
Equity share of 1 HKD each fully paid up of Lava International (H.K.) Limited	10,000,000	57.48	10,000,000	57.48
Equity share of 1 HKD each fully paid up of Xolo International (H.K.) Limited	100,000	0.83	100,000	0.83
Equity shares of Rs. 10 each fully paid up of Lava Enterprises Limited	5,200,000	52.00	5,200,000	52.00
Equity Share of 1000 USD each fully paid up of China Bird Centroamerica, S.A. (refer note 10)	15,000	3,716.14	15,000	3,716.14
Equity shares of Rs. 10 each fully paid up of Sojo Manufacturing Services Private Limited	2,219,000	22.19	2,219,000	22.19
Equity shares of Rs. 10 each fully paid up of Sojo Manufacturing Services (A.P.) Private Limited	3,959,000	39.59	3,959,000	39.59
Equity shares of Rs. 10 each fully paid up of Sojo Distribution Private Limited	9,000	0.09	9,000	0.09
Equity shares of 1000 AED each fully paid up of Lava Technologies DMCC	18,150	339.41	18,150	339.41
Equity shares of 0.0001 USD each fully paid up of Lava Technologies L.L.C.	4,000,000,000	28.79	4,000,000,000	28.79
Investments in equity instruments of associate (at cost)				
Equity share of Rs. 10 of MagicTel Solutions Private Limited	2,500	0.03	2,500	0.03
		4,256.55		4,256.55

7 **Financial assets**

7 (a) **Investments (non-current) (unquoted)**

	As at 31 March 2023		As at 31 March 2022	
	No of Units	Amount	No of Units	Amount
Investments in equity instruments of other entities (at fair value through other comprehensive income)				
Equity Share of .001 SGD each fully paid up of Abiriya Pte. Ltd.*	63,830	-	63,830	-
		-		-
Aggregate amount of quoted investment		-		-
Aggregate amount of unquoted investment		-		-

*As at 31 March 2023, the Company has fair valued the investment at Nil (31 March 2022 - Nil) amount as there is no future economic benefit expected from the investment.

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(All amounts in Indian Rupees million unless otherwise stated)

7 (b) Investments (current)

	As at 31 March 2023		As at 31 March 2022	
	No of Units	Amount	No of Units	Amount
Investment in Mutual funds (Quoted)(at fair value through profit or loss)				
LIC MF Overnight Fund-Regular Plan Growth	17,147	20.11	-	-
Union Corporate Bond Fund Regular Plan - Growth	390,968	5.04	-	-
		25.15		-
Investment in Mutual funds (Unquoted)(at fair value through profit or loss)				
Canara Robeco MF - Regular Plan Growth	344,708	3.58	-	-
		3.58		-
		28.73		-
Aggregate book value of quoted investment		**25.15**		-
Aggregate market value of quoted investment		**25.15**		
Aggregate book value of unquoted investment		**3.58**		
Aggregate market value of unquoted investment		**3.58**		-

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Lava International Limited
Notes to standalone financial statements for the period ended 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

7 (i) Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured		
- Considered good	8,647.06	8,815.15
- Receivables from related parties, considered good (refer note 30)	848.42	763.00
- Considered doubtful	31.99	42.50
	9,527.47	8,618.34
Less :		
- Provision for doubtful debts	(31.99)	(42.50)
- Allowance for credit loss (ECL)	(6,953.23)	(1,032.00)
	2,542.25	8,543.84

Ageing of trade receivables: -

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 March 2023							
Undisputed trade receivables - considered good	101.18	188.38	917.80	1,858.04	1,729.57	5,000.51	9,495.48
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	0.11	0.17	1.19	4.44	26.08	31.99
Total trade receivables	101.18	188.49	917.97	1,859.23	1,734.01	5,026.59	9,527.47
Less: Provision for doubtful debts							(31.99)
Less: Allowance for credit loss							(6,953.23)
Net trade receivables							2,542.25

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 March 2022							
Undisputed trade receivables - considered good	563.28	1,352.64	323.04	1,834.23	3,065.67	1,236.98	8,575.84
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	1.05	4.93	6.08	30.44	42.50
Total trade receivables	563.28	1,352.64	324.09	1,839.16	3,071.75	1,267.42	8,618.34
Less: Provision for doubtful debts							(42.50)
Less: Allowance for credit loss							(1,032.00)
Net trade receivables							8,543.84

For terms and conditions relating to trade receivables (refer note 37)

To comply with the requirement of Ind AS 109 - Financial Instruments, the Company has created total ECL of Rs. 6,953.23 million (31 March 2022: Rs. 1,032.00 million). As it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 5,920.24 million in compliance with the requirements of para 44 of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, has been adjusted to the retained earnings.

(All amounts in Indian Rupees million unless otherwise stated)

7 (d) Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Cash on hand	5.16	3.04
Balances with banks:		
On current accounts	23.37	149.45
Deposits with original maturity of less than three months # (Refer footnote to note 7(f))	742.56	569.84
	771.09	724.32

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

7 (e) Other bank balances

	As at 31 March 2023	As at 31 March 2022
Deposits with bank for original maturity of more than three months but less than twelve months (Refer footnote to note 7(f))	914.95	1,084.36
	914.95	1,084.36

7 (f) Other financial asset (Non-current)

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless stated otherwise		
Security deposits		
- Considered good	31.62	27.62
- Considered doubtful	4.92	4.92
	36.54	32.54
Less: Provision for doubtful deposits	(4.92)	(4.92)
	31.62	27.62
Bank deposits with remaining maturity of more than twelve months #	65.36	31.38
Interest accrued on bank deposits	6.41	0.72
	103.39	59.72

Note:

# Includes margin money deposits under lien (refer note 7(d), note 7(e) and note 7(f)):-		
- against letter of credit facility, bank guarantees and other margin	1,317.28	1,256.80
- against amount paid under protest (excluding interest accrued) (refer note 31(b)(c)(i))	900.00	900.00

7 (g) Other financial assets (current)

		As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless stated otherwise			
Security deposits	(A)	17.48	10.06
Interest accrued on bank deposits	(B)	173.92	155.19
Derivative asset	(C)	-	9.67
Others receivables			
- Considered good*		159.93	882.49
- Considered doubtful**		713.27	-
		873.20	882.49
Less: Allowance for credit loss (ECL)		(713.27)	-
	(D)	159.93	882.49
Total (A + B + C + D)		351.33	1,057.41

(All amounts in Indian Rupees million unless otherwise stated)

* Includes other receivables from related parties amounting to Rs.142.48 million (31 March 2022 : Rs. 508.17 million) (refer note 30 for details).
**To comply with the requirement of Ind AS 109 - Financial Instruments, the company has created ECL of Rs. 713.27 million. As it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 713.27 million in compliance with the requirements of para 44 of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, has been adjusted to the retained earnings.

8 Inventories
(Valued at lower of cost or net realisable value)

	As at 31 March 2023	As at 31 March 2022
Raw materials and components (refer note 1 & 2 below)	2,843.49	2,812.05
Finished goods (refer note 2 below)	1,242.80	1,057.30
Traded goods (refer note 2 below)	0.60	6.57
Spares (refer note 3 below)	308.00	477.05
	4,394.99	**4,352.86**
Note 1 Including stock in transit		
- Raw materials and components	299.74	455.72
Note 2 The above inventory is net of :-		
a) Write down of inventory from cost to net realisable value		
Finished goods	25.68	25.82
Traded goods	0.02	1.12
Spares	4.13	9.90
b) Write down of inventory for obsolescence		
Finished goods	13.69	11.16
Traded goods	0.01	-
Spares	172.43	143.45
Raw materials and components	2.04	2.04

9 (a) Other non-current assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good, unless otherwise stated		
Capital advances	32.11	94.54
Prepaid expenses	175.94	2.30
	208.05	**96.84**

9 (b) Other current assets

		As at 31 March 2023	As at 31 March 2022
Unsecured, considered good, unless otherwise stated			
Prepaid expenses	(A)	390.60	236.75
Balance with statutory/ government authorities (refer note 31 (B) & 34)	(B)	609.27	541.94
Advances to vendors			
- Considered good		1,137.36	1,209.48
- Advances to related parties, considered good (refer note 30)		23.60	124.06
- Considered doubtful		9.76	14.89
		1,171.01	1,348.43
Less: Provision for doubtful advances		(9.76)	(14.89)
	(C)	1,161.25	1,333.54
Others	(D)	381.10	267.77
Total (A + B + C + D)		2,541.22	2,380.00

(All amounts in Indian Rupees million unless otherwise stated)

10 Equity share capital and instruments entirely equity in nature

	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
782,000,000 equity shares of Rs. 5 each (31 March 2022 : 782,000,000 equity shares of Rs. 5 each)	3,910.00	3,910.00
100,000 (31 March 2022: 100,000) Compulsory Convertible Preference Share (CCPS) of Rs 10 each	1.00	1.00
500,000 (31 March 2022: 500,000) Compulsory Convertible Preference Shares (CCPS) of Rs. 100 each	50.00	50.00
	3,961.00	**3,961.00**
Issued, subscribed and fully paid-up share capital		
541,126,216 equity shares of Rs. 5 each (31 March 2022 : 541,126,216 equity shares of Rs. 5 each)	2,705.63	2,705.63
100,000 (31 March 2022 : 100,000) Compulsory Convertible Preference Shares (CCPS) of Rs. 10 each	1.00	1.00
324,172 (31 March 2022 : 500,000) Compulsory Convertible Preference Shares (CCPS) of Rs. 100 each	32.42	32.42
Total issued, subscribed and fully paid-up share capital	**2,739.05**	**2,739.05**

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

	Amount		No of Shares	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	2,705.63	1,248.67	541,126,216	124,866,902
Right shares issued during the year [refer below note (a) & note (b)]	-	19.14	-	1,913,695
CCPS Conversion [refer below note (d)]	-	15.29	-	1,528,834
Shares Split (Rs.10 per share to 5 per share) [refer below note (e)]	-	-	-	128,309,431
Bonus shares issued during the year [refer below note (f)]	-	1,283.09	-	256,618,862
Issued during the year [refer below note (g)]	-	139.44	-	27,888,492
Outstanding at the end of the year	**2,705.63**	**2,705.63**	**541,126,216**	**541,126,216**

Note:

a) Pursuant to approval of board of directors of the Company in the meeting held on 15th May, 2021, 1,350,844 equity shares of Rs. 10 each were allotted on right shares basis at a premium of Rs. 323 per share.

b) Pursuant to approval of board of directors of the company in the meeting held on 5th June, 2021, 562,851 equity shares of Rs. 10 each were allotted on right shares basis at a premium of Rs. 323 per share.

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

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

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

(All amounts in Indian Rupees million unless otherwise stated)

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

g) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10th September, 2021, a total of 27,888,492 equity shares of face value of Rs. 5 each were created, offered, issued and allotted at a premium of Rs. 158.25 each to Clipper Global S.A. for consideration other than cash on the preferential cum private placement basis.

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

	Amount		No of Shares	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	33.42	51.00	424,172	600,000
Converted to equity and other equity	-	(17.58)	-	(175,828)
Outstanding at the end of the year	**33.42**	**33.42**	**424,172**	**424,172**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 5 per share (31 March 2022: Rs. 5 per share). Each holder of equity shares is entitled to one vote per share and dividends in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

Pursuant to approval of board of directors of the company in the meeting held on 5th Aug. 2021, the Company has converted its 175,828 CCPS into 1,528,834 Equity Shares of Rs. 10 each at the premium of Rs. 1.5 per Share.

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

In response of the exercise the option available, the Company has to issue 5,368,532 equity shares against 100,000 CCPS.

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

	No of Shares				
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Equity shares allotted during the year as fully paid bonus shares.	-	250,618,862	-	-	-

(All amounts in Indian Rupees million unless otherwise stated)

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

Equity Shares of Rs. 5 each fully paid (31 March 2022 : Rs 5 each fully paid)

Name of Shareholders	No of Shares		Percentage shareholding	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Hari Om Rai	140,658,304	180,335,560	25.99%	33.33%
Sunil Bhalla	98,378,303	113,561,088	18.18%	20.99%
Vishal Sehgal	73,344,123	88,417,408	13.54%	16.34%
Yash Investments	60,693,518	-	11.22%	0.00%
Shailendra Nath Rai	40,914,798	46,994,112	7.56%	8.69%
Shital Sehgal	29,042,880	29,042,880	5.37%	5.37%
Clipper Global S.A.	12,558,492	27,688,492	2.33%	5.13%

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

Name of Shareholders	No of Shares		Percentage shareholding	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
UNIC Memory Technology (Hong Kong) Limited Compulsory Convertible Preference Shares (CCPS) of Rs. 100/- each	324,172	324,172	100.00%	100.00%
Bennett Coleman And Company Limited Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each	100,000	100,000	100.00%	100.00%

(e) Shareholdings of Promoters

Equity Share held by promoters as of 31st March 2023

Promoters Name	No of Shares	% of total Shares	% Change during the year
Hari Om Rai	140,658,304	25.99%	-7.33%
Sunil Bhalla	98,378,303	18.18%	-2.81%
Vishal Sehgal	73,344,123	13.54%	-2.80%
Shailendra Nath Rai	40,914,798	7.56%	-1.12%
Total	**353,295,528**	**65.27%**	

Equity Share held by promoters as of 31st March 2022

Promoters Name	No of Shares	% of total Shares	% Change during the year
Hari Om Rai	180,335,560	33.33%	-2.78%
Sunil Bhalla	113,561,088	20.99%	-1.75%
Vishal Sehgal	88,417,408	16.34%	-1.36%
Shailendra Nath Rai	46,994,112	8.69%	-0.72%
Total	**429,298,568**	**79.35%**	

(f) Shares reserved for issue under options :

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company (refer note 20).

(All amounts in Indian Rupees million unless otherwise stated)

11 Financial liabilities

11(a) Borrowings (Non-current)

	As at 31 March 2023	As at 31 March 2022
Secured (refer note I below)		
Non-Convertible Debentures	-	250.00
Term loan from banks	2.86	1.54
Term loan from other parties	226.99	273.25
	229.85	524.79
Current maturities of non current borrowings [refer note 11(b)]	401.23	92.76

Note I Security disclosure for the outstanding current borrowings are as follows:

(i) Non-Convertible Debentures (NCDs) had been issued during the previous year amounting to Rs. 250 million. The amount outstanding against the said loan is Rs. 250.00 million (31 March 2022: Rs. 250.00 million) which carries interest @ 12.51% p.a and is to be repaid on 25th September 2023. The loan is secured by first and exclusive charge by pledge of certain shares of the Company held by the promoters. Further, the loan has been personally guaranteed by certain directors of the Company.

(ii) Car loan had been obtained from HDFC bank amounting to Rs. 2.32 million during the previous year and the amount outstanding against the said loan is Rs. 1.53 million (31 March 2022: Rs. 1.96 million) which carries interest @ 7.50% p.a. and repayable in 60 equal monthly instalments starting from 07th May 2021. The loan is scheduled to be repaid by 07th April 2026. The loan is secured against the vehicle funded out of aforesaid loan.

(iii) Car loan has been obtained from HDFC bank amounting to Rs. 2.53 million and the amount outstanding against the said loan is Rs. 2.24 million (31 March 2022: Nil) which carries interest @ 7.70% p.a. and repayable in 60 equal monthly instalments starting from 05th August 2022. The loan is scheduled to be repaid by 05th July 2027. The loan is secured against the vehicle funded out of aforesaid loan.

(iv) Term loan from Bajaj Finance Ltd. had been obtained amounting to Rs. 350 million during the previous year and the amount outstanding against the said loan is Rs. 267.65 million (31 March 2022: Rs. 350 million) which carries interest @ 11.00% p.a. (31 March 2022: 8.75% p.a.) and repayable in 51 equal monthly instalments starting from 05th April 2022 to 05th June 2026. The loan is secured by exclusive charge over plant and machinery funded under the term loan with minimum Fixed Assets Coverage Ratio (FACR) of 1.33x and second pari-passu charge on overall current assets (current and future) of the Company. Further, the loan has been personally guaranteed by certain directors of the Company.

(v) Term loan from Oxyzo Financial Services Private Ltd. had been obtained during the previous year amounting to Rs. 20 million and the amount outstanding against the said loan is Rs. 5.46 million (31 March 2022: 15.59 million) which carries interest @ 12.25% p.a. and repayable in 24 equal monthly instalments. The loan to be repaid on 05th September 2023. The loan was secured by personal guarantee by director of the Company.

(vi) Term loan from Tata Capital Financial Services Ltd. has been obtained amounting to Rs. 125 million and the amount outstanding against the said loan is Rs. 104.17 million (31 March 2022: Nil) which carries interest @ 11.10% p.a. and repayable in 24 equal monthly instalments. The loan is scheduled to be repaid by 15 November 2024. The loan is secured by guarantee equivalent to the 50% of the facility amount and personal guarantee by certain directors of the Company.

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

11(b) Borrowings (current)

	As at 31 March 2023	As at 31 March 2022
Cash credit / overdraft facility from banks (repayable on demand)*	541.32	890.09
Buyer's credit*	139.33	248.48
Working capital demand loan**	531.00	370.00
Current maturities of non current borrowings [refer note 11(a)]	401.23	92.76
	1,613.88	1,601.33

(All amounts in Indian Rupees million unless otherwise stated)

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

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

(2) by way of a second charge on pari-passu basis, of such existing and future movable fixed assets of the borrower such machineries/ other assets which are created by way of term loans from other banks and financial institutions. The cash credit is repayable on demand and carries interest @ 10.20% p.a. to 11.35% p.a. (31 March 2022: 10.55% p.a. to 12.10% p.a.). Buyer's credit carries interest @ SOFR +0.50% p.a. to SOFR +1% p.a.

**Secured by way of personal guarantee of promoters of the company. This facility is repayable on demand and carries interest ranging from 8.85% p.a. to 9.20% p.a. (31st March 2022: 7.50% p.a.). Working capital demand loan of Rs. 125 million is secured by way of guarantee equivalent to the 50% of the facility amount and personal guarantee by certain directors of the Company and repayable on demand and carries interest @ 11.10% p.a.

Note 1:

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

13(c) Trade payables

	As at 31 March 2023	As at 31 March 2022
Micro and small enterprises (refer note 33)	132.17	241.90
Other than micro and small enterprises	3,264.13	3,170.96
Payable to related parties (refer note 30)	22.66	0.12
	3,418.96	3,412.98

Ageing of trade payables: -

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023					
Outstanding dues to micro and small enterprises	132.17	-	-	-	132.17
Others	3,105.52	10.04	1.05	6.58	3,117.19
Disputed - dues to micro and small enterprises	-	-	-	-	-
Disputed - Others	-	-	-	-	-
Total trade payables	3,237.69	10.04	1.05	6.58	3,249.36
Provision for Expenses					169.60
Net trade payables					3,418.96

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022					
Outstanding dues to micro and small enterprises	241.49	0.41	-	-	241.90
Others	2,811.23	3.49	3.79	7.45	2,825.96
Disputed - dues to micro and small enterprises	-	-	-	-	-
Disputed - Others	7.63	-	2.11	0.04	9.78
Total trade payables	3,060.35	3.90	5.90	7.49	3,077.66
Provision for Expenses					335.32
Net trade payables					3,412.98

(All amounts in Indian Rupees million unless otherwise stated)

11(d) Lease liabilities (Non-current)

	As at 31 March 2023	As at 31 March 2022
Lease Liabilities (refer note 37)	109.47	137.43
	109.47	**137.43**

11(e) Lease liabilities (current)

	As at 31 March 2023	As at 31 March 2022
Lease Liabilities (refer note 37)	38.40	39.16
	38.40	**39.16**

11 (f) Other financial liabilities (current)

	As at 31 March 2023	As at 31 March 2022
Payable for capital purchases	1.27	1.12
Security deposits	1,466.31	1,271.30
Inter company deposit	-	30.00
Interest accrued on borrowings	0.08	4.98
Employee payables	43.51	46.98
Derivative liability	1.29	-
	1,512.46	**1,354.38**

12 (a) Provisions (Non-current)

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (refer note 28)	57.28	54.45
Other provisions		
Provision for decommissioning liabilities #	2.06	2.06
	59.34	**56.51**

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

12 (b) Provisions (Current)

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (refer note 28)	25.87	21.49
Provision for compensated absences	20.39	24.30
	46.26	**45.79**
Other provisions		
Provision for warranties*	87.53	101.56
	87.53	**101.56**
	133.79	**147.35**

* The Company provides warranty on its products by giving an undertaking to repair/replace items to the customers, which fails to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligations of repairs/replacement. The timing of the outflows is expected to be in next 12 months (31 March 2022 - 12 months).

(All amounts in Indian Rupees million unless otherwise stated)

Provision for warranties	**As at 31 March 2023**	**As at 31 March 2022**
At the beginning of the year	101.56	116.78
Arising during the year	86.97	68.81
Less: Utilised / reversed during the year	(100.95)	(86.03)
At the end of the year	**87.83**	**101.56**

Provision for decommissioning liabilities	**As at 31 March 2023**	**As at 31 March 2022**
At the beginning of the year	2.06	3.02
Less: Reversed during the year	-	(0.96)
At the end of the year	**2.06**	**2.06**

13 Other current liabilities

	As at 31 March 2023	**As at 31 March 2022**
Advance from customers	256.17	351.11
Tax deductible at source	30.71	23.03
Other statutory liabilities	14.64	52.14
	301.52	**426.28**

14 Current tax liabilities (net)

	As at 31 March 2023	**As at 31 March 2022**
Provision for income tax*	188.16	256.26
	188.16	**256.26**

*Net of advance tax and TDS receivable amounting to Rs. 3,734.19 million (31 March 2022: Rs. 3,464.47 million)

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(All amounts in Indian Rupees million unless otherwise stated)

15 Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products (refer note 30)	22,800.68	18,105.59
Sale of services	47.16	109.41
Other operating revenues		
- Scrap sale	4.97	2.81
- Export incentives	3.93	4.55
	22,856.74	18,222.36

16 Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on financial asset at amortised cost	1.13	1.37
Interest income on fixed deposits with banks	75.10	49.69
Net gain on sale of mutual fund investments	0.30	0.35
Fair value gain on derivative financial instruments at fair value through profit or loss	-	5.82
Foreign exchange difference (net)	176.49	93.35
Profit on sale of property, plant and equipment	1.05	-
Miscellaneous income	19.81	30.59
	273.88	181.17

17 Cost of raw material and components consumed

	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory materials at the beginning of the year	2,802.05	1,449.80
Purchase during the year	16,955.15	12,826.04
Less: Inventory materials at the end of the year	(2,843.49)	(2,802.05)
	16,913.71	11,473.79

18 Changes in inventories of finished goods, spares and stock in trade

	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the end of the year		
Traded goods	0.58	6.57
Spares for handsets	308.02	477.05
Finished goods	1,242.90	1,067.39
	1,551.50	1,551.01
Inventories at the beginning of the year		
Traded goods	6.57	107.06
Spares for handsets	477.05	784.17
Finished goods	1,067.39	922.53
	1,551.01	1,813.76
	(0.49)	262.75

(All amounts in Indian Rupees million unless otherwise stated)

19 Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary, wages and bonus (refer note 30)	1,116.01	992.40
Contribution to provident and other funds (refer note 28)	27.27	59.56
Gratuity expense (refer note 28)	18.90	16.49
Share based payment expense (refer note 36)	16.83	176.69
Staff welfare, recruitment and training	273.03	232.20
	1,482.66	**1,418.97**

20 Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Power and fuel	46.02	35.36
Rent	52.18	54.82
Rates and taxes	12.53	3.44
Insurance	14.34	18.39
Repair and maintenance - others	78.78	60.87
Advertisement and marketing expenses	408.73	222.31
Sales promotion, scheme expenses and ECL Provision [refer note 7(c) for ECL]	805.32	731.39
Freight and cartage	347.79	152.08
Outsourced salary cost	30.65	22.09
Travelling and conveyance	99.76	57.50
Communication costs	7.95	7.81
Warranty expenses	86.02	68.81
Legal and professional fees	156.13	126.48
Payment to auditor (refer details below)	2.50	7.26
Donation	1.18	0.05
Corporate social responsibility expense (refer note 33)	10.00	8.10
Loss on sale of property, plant and equipment	-	0.08
Fair value loss on derivative financial instrument at fair value through profit or loss	1.96	-
Miscellaneous expenses	13.73	23.15
	2,138.52	**1,482.53**

Payment to auditor

	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
- Audit fee	2.50	3.60
- Tax audit fee	-	0.35
Reimbursement of expenses	-	0.18
Other services	-	3.13
	2.50	**7.26**

21 Depreciation and amortization expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation expense		
- on Property, Plant & Equipment	185.86	154.39
- on ROU Asset	32.33	31.30
Amortisation expense on Intangible Assets	8.42	8.94
	226.61	**194.63**

(All amounts in Indian Rupees million unless otherwise stated)

33 Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on:		
-Term loan	137.30	75.28
-Cash credit	79.80	37.38
-Security deposits	8.41	4.33
-Income tax	20.16	42.89
-on Lease Liability (refer note 17)	18.68	20.78
Bank charges	102.16	112.51
	366.41	308.17

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(All amounts in Indian Rupees million unless otherwise stated)

23 Income tax expense

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current income tax:		
Current income tax charge	118.25	261.30
Adjustments in respect of income tax of previous year	(16.90)	(16.21)
Deferred tax :		
Relating to origination and reversal of temporary differences	8.48	(85.52)
Total tax expense on profit of the year (a)	109.55	158.57
Other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during in the year:		
- Re-measurement losses of defined benefit plan	(0.43)	(0.02)
Total tax expense on other comprehensive income of the year (b)	(0.43)	(0.02)
Total tax expense on total comprehensive income of the year (a) + (b)	109.12	158.55

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	462.85	564.06
Applicable tax rate	25.17%	25.17%
Expected tax expense (A)	116.50	141.97
Expenses not considered in determining taxable profit	25.80	23.39
Income not considered in determining taxable profit	(3.77)	(2.99)
Tax pertaining to earlier years	(16.90)	(16.21)
Others	(11.20)	10.41
Total adjustments (B)	(6.95)	16.60
Actual tax expense (C= A+B)	109.55	158.57
Tax expense recognised in statement of profit and loss	109.55	158.57
Effective Tax Rate	23.67%	28.11%

(c) Deferred tax assets (net)
Deferred tax relates to the following:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax assets on account of:		
Property, plant and equipment	(92.99)	(82.67)
Provision for employee benefits	(36.06)	(25.73)
Allowance for credit loss (ECL) & provision for doubtful advances	(271.76)	(274.45)
Provision for obsolescence inventories	(10.88)	(11.08)
Others	4.66	-
Deferred tax related to other comprehensive income of the year:		
Re-measurement losses of defined benefit plan	1.36	1.79
Change in fair value of FVTOCI equity instruments	(2.31)	(2.31)
Deferred tax liability on account of:		
Tax to be paid on custom duty receivable in future years (refer note 34)	93.43	79.38
Net deferred tax liability/ (asset) including other comprehensive income of the year	(307.45)	(315.49)

(All amounts in Indian Rupees million unless otherwise stated)

Movement in deferred tax assets for the year ended 31 March 2023

	As at 31 March 2022	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2023
Property, plant and equipment	(82.67)	-	(11.32)	(93.99)
Provision for employee benefits	(25.23)	-	(0.83)	(26.06)
Allowance for credit loss (ECL) & provision for doubtful advances	(274.45)	-	2.69	(271.76)
Provision for obsolescence inventories	(14.00)	-	3.20	(10.80)
Tax to be paid on custom duty receivable in future years (refer note 34)	79.38	-	10.07	89.45
Others	-	-	4.66	4.66
Deferred tax related to other comprehensive income of the year:				
Re-measurement losses of defined benefit plan	3.79	(0.43)	-	3.36
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	(2.31)
Total	**(315.49)**	**(0.43)**	**8.47**	**(307.45)**

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

	As at 31 March 2021	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2022
Property, plant and equipment	(82.04)	-	(0.63)	(82.67)
Provision for employee benefits	(23.55)	-	(1.68)	(25.23)
Allowance for credit loss (ECL) & provision for doubtful advances	(209.92)	-	(64.53)	(274.45)
Provision for obsolescence inventories	(14.00)	-	-	(14.00)
Fair valuation of investment	0.50	-	(0.50)	-
Tax to be paid on custom duty receivable in future years (refer note 34)	98.58	-	(19.20)	79.38
Deferred tax related to other comprehensive income of the year:				
Re-measurement losses of defined benefit plan	3.77	0.02	-	3.79
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	(2.31)
Total	**(228.97)**	**0.02**	**(86.54)**	**(315.49)**

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(All amounts in Indian Rupees million unless otherwise stated)

24 Earnings per share (EPS)

The computation of earnings per share is as follows:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Nominal value of equity shares (INR)	5	5
Profit attributable to equity shareholders for computing basic and dilutive EPS (A)	353.30	405.49
Weighted average number of equity shares for calculating basic EPS		
Weighted average number of equity shares outstanding during the year for computing basic EPS (B)	541,126,216	527,934,041
Dilutive effect of share based payments on weighted average number of equity shares outstanding during the year (C)	30,955,614	30,888,097
Dilutive effect of compulsory convertible preference shares on weighted average number of equity shares outstanding during the year (D)	16,643,640	16,643,640
Weighted average number of equity shares outstanding during the year for computing Diluted EPS (E = B + C + D)	588,725,470	575,465,778
Basic earning per share (A/B)	**0.65**	**0.77**
Diluted earning per share (A/E)	**0.60**	**0.70**

During the current financial year, 1,201,671 number of options issued for share based payments were excluded from the calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

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(All amounts in Indian Rupees million unless otherwise stated)

28 Fair value measurement

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

	Notes	31 March 2023			31 March 2022		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Assets							
Non-current assets							
Financial assets							
Other financial asset	7 (f)	-	-	103.39	-	-	98.72
		-	-	103.39	-	-	98.72
Current assets							
Financial assets							
Investments	7 (b)	28.73	-	-	-	-	-
Trade receivables	7 (c)	-	-	2,542.25	-	-	8,542.84
Cash and cash equivalents	7 (d)	-	-	771.00	-	-	324.33
Other bank balances	7 (e)	-	-	814.95	-	-	1,084.36
Derivative asset	7 (g)	-	-	-	8.67	-	-
Others financial assets	7 (g)	-	-	351.35	-	-	1,048.54
		28.73	-	4,579.62	8.67	-	11,400.07
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	11 (a)	-	-	220.82	-	-	524.79
Lease liabilities	11 (d)	-	-	108.47	-	-	172.43
		-	-	329.29	-	-	697.22
Current liabilities							
Financial liabilities							
Borrowings	11 (b)	-	-	1,815.08	-	-	1,801.21
Lease liabilities	11 (e)	-	-	28.40	-	-	30.16
Trade payables	11 (c), 32	-	-	3,418.06	-	-	3,812.98
Derivative liabilities	11 (f)	1.29	-	-	-	-	-
Other financial liabilities	11 (f)	-	-	1,511.17	-	-	1,254.38
		1.29	-	6,783.61	-	-	6,398.85

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

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

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

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(All amounts in Indian Rupees million unless otherwise stated)

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

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

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

	Fair value measurement using			
At 31 March 2023	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at FVTPL				
Derivative assets	-	-	-	-
Investments in mutual funds	28.73	-	-	**28.73**
Assets measured at FVTOCI				
Investment in equity instruments*	-	-	-	-
Liability measured at FVTPL				
Derivative liabilities	-	1.29	-	**1.29**

	Fair value measurement using			
At 31 March 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at FVTPL				
Investment in mutual funds	-	-	-	**0.00**
Assets measured at FVTOCI				
Investment in equity instruments*	-	-	-	-
Liability measured at FVTPL				
Derivative asset	-	0.07	-	**0.07**

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

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

Valuation techniques used to derive Level 1 fair values
Derivative asset/liability representing future foreign exchange contracts have been fair valued using future exchange rates that are quoted in the active market.
The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Valuation techniques used to derive Level 2 fair values
Derivative asset/liability representing forward foreign exchange contracts have been fair valued using dealer/counter party quotes at balance sheet date.

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

(All amounts in Indian Rupees million unless otherwise stated)

36. Capital management

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2023 and 31 March, 2022.

Particulars	**31 March 2023**	**31 March 2022**
Borrowings	2,044.90	2,126.12
Less: Cash and cash equivalents	(771.09)	(724.33)
Net debt (a)	**1,273.81**	**1,401.79**
Equity	9,583.94	15,845.27
Total capital (b)	**9,583.94**	**15,845.27**
Capital and net debt (a) + (b) = (c)	**10,857.75**	**17,247.06**
Gearing ratio (%) (a) / (c)	11.73%	8.13%

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(All amounts in Indian Rupees million unless otherwise stated)

37 Financial risk management objectives and policies

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

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

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

Price risk

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

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

Particulars	31 March 2023	31 March 2022
Effect on profit before tax:		
NAV increase by 100 bps	0.29	-
NAV decrease by 100 bps	(0.29)	-

Interest rate risk

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

Particulars	31 March 2023	31 March 2022
Fixed rate borrowings	259.27	267.55
Floating rate borrowings	1,785.63	1,858.57
Total	**2,044.90**	**2,126.12**

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

Particulars	31 March 2023	31 March 2022
Effect on profit before tax:		
PLR*- decrease by 50 bps	8.93	9.29
PLR*- increase by 50 bps	(8.93)	(9.29)

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

Credit risk

The Company is also exposed to credit risk from trade receivables, term deposits, liquid investments and other financial instruments.

(i) Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. All customers are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The Company is exposed to credit risk in the event of non-payment by customers. An impairment analysis is performed at each reporting date by grouping the receivables in homogeneous groups. Trade receivables are non-interest bearing and are generally on original credit terms of upto 180 days depending upon category and nature of customers. Credit term may be extended based on management judgement and credit worthiness of the customers.

(All amounts in Indian Rupees million unless otherwise stated)

The management regularly follows up to recover the outstanding amount and evaluates recoveries at the end of every reporting period. To comply with the requirement of Ind AS 109 - Financial Instruments, the company has created total expected credit loss (ECL) as on 31 March 2023 of Rs. 6,953.24 million (31 March 2022: Rs. 1,033.00 million). As it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 5,920.24 million in compliance with the requirements of para 44 of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, has been adjusted to the retained earnings.

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

Ageing based on original credit terms but after allowance for credit loss as follows:

Particulars	31 March 2023	31 March 2022
0-180 days	281.56	2,315.92
180-365 days	917.80	322.04
1 year plus	1,342.89	5,703.88
Total	**2,542.25**	**8,341.84**

The Company has provisions of Rs. 31.99 million (31 March 2022 : Rs. 42.10 million) for doubtful debts. None of these trade debtors past due or impaired have had their terms renegotiated. The maximum exposure to credit risk at the reporting date is the fair value of each class of debtors presented in the financial statements.

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

Liquidity risk

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

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

	<1yr	1-5 yrs	>5 yrs	Total
As at 31 March 2023				
Borrowings (including interest accrued)	1,821.16	229.82	-	2,050.98
Lease liabilities	38.40	109.47	-	147.87
Trade payables	3,418.96	-	-	3,418.96
Derivative liability	1.29	-	-	1.29
Other financial liability	1,505.09	-	-	1,505.09
Total	**6,784.90**	**339.29**	-	**7,124.19**

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

(All amounts in Indian Rupees million unless otherwise stated)

Foreign currency risk

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

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

As at	31 March 2023		31 March 2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Amount in United States Dollar (USD)	37.76	19.86	40.17	23.70
Exchange Rate	82.18	82.18	75.90	75.90
Amount in Indian Rupees (INR)	3,102.97	1,632.13	3,048.87	1,799.00

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

As at	31 March 2023	31 March 2022
Effect of 10% strengthening of INR against USD on profit before tax:	(147.08)	(124.99)
Effect of 10% weakening of INR against USD on profit before tax:	147.08	124.99

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

As at	31 March 2023	31 March 2022
Amount in INR	843.51	902.45

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(All amounts in Indian Rupees million unless otherwise stated)

28 Post-employment benefits plan

Defined Contribution Plan

The Company has recognised Rs. 37.27 millions (31 March 2022 : Rs. 30.06 millions) related to employer's contribution to provident fund and employees' state insurance fund as an expense in the statement of profit and loss.

Defined Benefit Plan

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

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

Statement of profit and loss

Net employee benefit expense recognised in the employee cost

	31 March 2023	31 March 2022
Current service cost	13.68	12.35
Interest cost on benefit obligation	5.22	4.14
Net benefit expense	**18.90**	**16.49**

Balance sheet

Benefit asset/liability

	31 March 2023	31 March 2022
Present value of defined benefit obligation	(82.95)	(75.95)
Net asset/(liability) recognised in balance sheet	**(82.95)**	**(75.95)**

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

	31 March 2023	31 March 2022
Opening defined benefit obligation	**75.95**	**66.07**
Current service cost	13.68	12.35
Interest cost	5.22	4.14
Total amount recognised in profit & loss	**18.90**	**16.49**
Re-measurement (gains)/losses of defined benefit plan :		
- Due to changes in financial assumptions	(2.96)	(0.86)
- Due to experience adjustments	1.25	0.93
Total amount recognised in other comprehensive income	**(1.71)**	**0.07**
Benefits paid	(10.19)	(6.68)
Closing defined benefit obligation	**82.95**	**75.95**

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

	31 March 2023	31 March 2022
Discount rate	7.3%	7.0%
Employee turnover	30.0%	30.0%
Salary Escalation Rate	7.0%	7.0%
Mortality Rates	IALM 2012-14 Ult.	IALM 2012-14 Ult.

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

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.38 years (31 March 2022: 4.24 years)

(All amounts in Indian Rupees million unless otherwise stated)

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

Particulars	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Gratuity					
Defined benefit obligation	82.05	75.95	66.07	56.29	54.41
Experience adjustments on liabilities gain / (loss)	(1.23)	(0.97)	(6.55)	1.38	18.66

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

	31 March 2023	31 March 2022
Projected benefit obligation on current assumption	82.05	75.95
Delta effect of +1 % change in discount rate	(2.16)	(2.10)
Delta effect of -1 % change in discount rate	2.30	2.34
Delta effect of +1 % change in salary escalation rate	2.51	2.40
Delta effect of -1 % Change in salary escalation rate	(2.40)	(2.30)
Delta effect of +10 % change in rate of employee turnover	(0.80)	(1.08)
Delta effect of -10 % change in rate of employee turnover	0.83	1.18

29 Segment information

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

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

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	21,641.90	17,060.87
Outside India	414.84	1,161.49
Total	**22,056.74**	**18,222.36**

Revenue from one customer for the year ended 31 March 2023 is Rs. 4,533.57 million which represents more than 10% of the total revenue of the Company. During the year ended 31 March 2022, there was no customer individually, revenue from whom represents more than 10% of the total revenue of the Company.

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

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(All amounts in Indian Rupees million unless otherwise stated)

38 Related party disclosures

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

(i) List of parties where control exist :

Sr. No.	Related Party	Country of Incorporation	Nature of Relationship	
			31 March 2023	31 March 2022
1	LAVA International (H.K.) Limited	Hong Kong	Wholly owned subsidiary	Wholly owned subsidiary
2	Xolo International (H.K.) Limited	Hong Kong	Wholly owned subsidiary	Wholly owned subsidiary
3	Lava Technologies L.L.C.	USA	Wholly owned subsidiary	Wholly owned subsidiary
4	Lava Technologies DMCC	UAE	Wholly owned subsidiary	Wholly owned subsidiary
5	China Bird Centroamerica S.A.*	Panama	Wholly owned subsidiary	Wholly owned subsidiary
6	Lava Enterprises Limited	India	Subsidiary (Owned 99.85% shares)	Subsidiary (Owned 99.85% shares)
7	Sojo Distributions Private Limited	India	Subsidiary (Owned 99.99% shares)	Subsidiary (Owned 99.99% shares)
8	Sojo Manufacturing Services (A.P.) Private Limited	India	Subsidiary (Owned 99.97% shares)	Subsidiary (Owned 99.97% shares)
9	Sojo Manufacturing Services Private Limited	India	Subsidiary (Owned 99.93% shares)	Subsidiary (Owned 99.98% shares)
10	Pt. Lava Mobile Indonesia	Indonesia	Subsidiary (95% owned by LAVA International (H.K.) Limited)	Subsidiary (95% owned by LAVA International (H.K.) Limited)
11	Lava International DMCC, UAE***	UAE	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)
12	Lava Mobility (Private) Limited, Sri Lanka	Sri Lanka	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)
13	Lava Mobile Mexico S.DE R.L. DE C.V.	Mexico	Subsidiary (99.00% shares owned by LAVA International (H.K.) Limited)	Subsidiary (99.00% shares owned by LAVA International (H.K.) Limited)
14	Lava International (Myanmar) Co. Limited	Myanmar	Subsidiary (99.00% shares owned by LAVA International (H.K.) Limited)	Subsidiary (99.00% shares owned by LAVA International (H.K.) Limited)
15	Lava International (Nepal) Private Limited	Nepal	Subsidiary (wholly owned by LAVA International (H.K.) Limited)	Subsidiary (wholly owned by LAVA International (H.K.) Limited)
16	Lava International (Bangladesh) Limited	Bangladesh	Subsidiary (99.99% shares owned by LAVA International (H.K.) Limited)	Subsidiary (99.99% shares owned by LAVA International (H.K.) Limited)
17	Mobile Consumer Products, S.A.**	Panama	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	Subsidiary (wholly owned by China Bird Centroamerica S.A.)
18	China Bird Hong Kong, Ltd**	Hong Kong	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	Subsidiary (wholly owned by China Bird Centroamerica S.A.)
19	China Bird Guatemala, S.A.**	Guatemala	Subsidiary (99% owned by China Bird Centroamerica S.A.)	Subsidiary (99% owned by China Bird Centroamerica S.A.)

(All amounts in Indian Rupees million unless otherwise stated)

Sr. No.	Related Party	Country of Incorporation	Nature of Relationship	
			31 March 2023	31 March 2022
20	B Telecomunicaciones Mexico, S.A. DE C.V.**	México	Subsidiary (99% owned by China Bird Centroamerica S.A.)	Subsidiary (99% owned by China Bird Centroamerica S.A.)
21	Bmobile America S. De RL**	Panamá	Subsidiary (wholly owned by Mobile Consumer Products, S.A.)	Subsidiary (wholly owned by Mobile Consumer Products, S.A.)
22	Bmo De Guatemala, S.A.**	Panamá	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	Subsidiary (wholly owned by China Bird Centroamerica S.A.)
23	Momentum HK, LTD.**	Hong Kong	Subsidiary (wholly owned by Mobile Consumer Products, S.A.)	Subsidiary (wholly owned by Mobile Consumer Products, S.A.)
24	Bmobile Europa**	España	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	Subsidiary (wholly owned by China Bird Centroamerica S.A.)
25	B Telecomunicaciones Colombia, S.A.S.**	Colombia	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	Subsidiary (wholly owned by China Bird Centroamerica S.A.)
26	B Telecomunicaciones Latinoamerica, S.A.**	Ecuador	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	Subsidiary (wholly owned by China Bird Centroamerica S.A.)
27	Poder Tecnologico De Manufactura Y Desarrollo Panamaño, S.A.**	Ecuador	Subsidiary (wholly owned by Mobile Consumer Products, S.A.)	Subsidiary (wholly owned by Mobile Consumer Products, S.A.)
28	B Telecomunicaciones Peru, S.A.**	Perú	Subsidiary (wholly owned by China Bird Centroamerica S.A.)	Subsidiary (wholly owned by China Bird Centroamerica S.A.)
29	Azumi, S.A.**	Panamá	Subsidiary (wholly owned by Mobile Consumer Products, S.A.)	Subsidiary (wholly owned by Mobile Consumer Products, S.A.)
30	Azumi, S.A. Agencia En Chile**	Chile	Subsidiary (wholly owned by Azumi, S.A.)	Subsidiary (wholly owned by Azumi, S.A.)
31	Azumi Hong Kong Ltd**	Hong Kong	Subsidiary (wholly owned by Azumi, S.A.)	Subsidiary (wholly owned by Azumi, S.A.)
32	Azumi Mobile Africa**	South Africa	Subsidiary (wholly owned by Azumi, S.A.)	Subsidiary (wholly owned by Azumi, S.A.)
33	Azumi USA, Corp.**	USA	Subsidiary (wholly owned by Azumi, S.A.)	Subsidiary (wholly owned by Azumi, S.A.)
34	Yaruran, S.A.**	Chile	Subsidiary (wholly owned by Azumi, S.A.)	Subsidiary (wholly owned by Azumi, S.A.)
35	Next Mexico, S.A. DE C.V.**	México	Subsidiary (wholly owned by Azumi, S.A.)	Subsidiary (wholly owned by Azumi, S.A.)
36	Vensunl Electronics Manufacturing Cluster Private Limited (VEMCPL)	India	Joint venture of Subsidiaries	Joint venture of Subsidiaries
37	Magic Tel Solutions Private Limited	India	Associate	Associate
38	Lava Employee Welfare Trust	India	Controlled trust	Controlled trust

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

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

*** Lava International DMCC, UAE ceases to exist w.e.f. 12th June, 2023

(All amounts in Indian Rupees million unless otherwise stated)

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

Sr. No.	Related Party	Country of Incorporation	Nature of Relationship	
			31 March 2023	31 March 2022
1	Saja Infotel Private Limited	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
2	Ultimate International Private Limited	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
3	Air Express Worldwide Logistics (Partnership Firm)	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives

(iii) Key Management Personnel :

Mr. Hari Om Rai - Chairman & Managing director (upto 28th February 2024)
Mr. Shailendra Nath Rai - Whole time director
Mr. Vishal Sehgal - Non Executive director
Mr. Sunil Bhalla - Non Executive director
Mr. Vinod Rai - Independent director (upto 22nd August 2023)
Mrs. Chitra Gouri Lal - Independent director (upto 22nd August 2023)
Mr. Rahul Kansal - Independent director (upto 22nd August 2023)
Mr. Ashutosh Bose - Chief Financial Officer (upto 18th July 2022)
Mr. Vinod Sharma - Independent director (w.e.f 23rd August 2023 to 19th march 2024)
Mr. Bharat Mishra - Company Secretary (upto 31st December 2021)
Mr. Jitendra Kumar - Independent director (w.e.f 01st September 2023 to 30th December 2023)
Mr. Naveen Kumar - Company Secretary (w.e.f 12th January 2022 to 31st August 2023)
Mr. Sunil Raina - President & Business Head (w.e.f 10th May 2021)
Mr. Sanjeev Agarwal - Chief Manufacturing Officer (w.e.f 10th May 2021)
Mr. Shyjith Rajji - Senior Vice President - Head Marketing, (w.e.f 10th May 2021 to 29th September 2023)
Mr. Saurabh Raghuvanshi - Vice President - Sales & Supply Chain (w.e.f 10th May 2021)
Mr. Nirav Girishbhai Raval - Chief Financial Officer (w.e.f. 18th July 2022 to 3rd December 2022)
Mr. Ashish Bose - Chief Financial Officer (w.e.f. 3rd December 2022)
Ms. Preeti - Company Secretary (w.e.f. 01st September 2023)
Mr. Sunil Raina - Whole Time Director (w.e.f. 06th November 2023 to 30th December 2023)
Mr. Sanjeev Agarwal - Whole Time Director (w.e.f 01st February 2024)
Mr. Sunil Raina - Whole Time Director (w.e.f. 28th February 2024)

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Lava International Limited
Notes to standalone financial statements for the period ended 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Subsidiaries	
	31 March 2023	31 March 2022
A. Transactions during the year		
Investment made in related parties		
China Bird Communication S. A.	-	3,716.14
Export Sales to related parties		
China Bird Communication S.A.	85.00	18.40
Lava Technologies DMCC*	-	304.32
Sale of Services to related parties		
Sojo Distribution Private Limited	0.14	0.14
Purchase from related parties*		
Lava International (H.K.) Limited	328.82	-
XOLO International (Hk) Ltd.	31.87	-
Expenses incurred on behalf of related parties		
Sojo Manufacturing Services (AP) Private Ltd	0.09	0.07
Sojo Manufacturing Services Private Limited	0.03	0.03
Sojo Distribution Private Limited	0.02	0.33
Lava Enterprise Limited	0.03	0.02
Payment made to related parties		
Lava International (H.K.) Limited	294.61	-
XOLO International (Hk) Ltd.	33.21	98.39
Advance given to related parties		
Lava Enterprise Limited	0.18	-
Sojo Manufacturing Services (AP) Private Ltd	0.19	-
Sojo Manufacturing Services Private Limited	0.19	-
Sojo Distribution Private Limited	3.00	3.98
XOLO International (Hk) Ltd.	-	3.05
Amount received from related parties		
Lava International (H.K.) Limited	38.48	-
Sojo Manufacturing Services (AP) Private Ltd	20.00	-
XOLO International (Hk) Ltd.	0.13	0.08
China Bird Communication S.A.	48.08	12.80
Lava Technologies DMCC*	-	67.17
B. Amount due to / from related parties		
Other receivables		
Lava International (H.K.) Limited	52.63	93.05
Sojo Distribution Private Limited	0.04	0.04
Sojo Manufacturing Services (AP) Private Ltd	0.25	0.25
Sojo Manufacturing Services Private Ltd	10.38	10.38
Lava Technologies DMCC*	30.87	28.51
Trade receivable		
Lava Technologies DMCC*	343.83	317.51
XOLO International (Hk) Ltd.	472.88	441.50
China Bird Communication S.A.	24.00	5.67
Sojo Distribution Private Limited	1.42	0.28
Advance to vendor		
Sojo Distribution Private Limited	21.16	18.54
Sojo Manufacturing Services Private Ltd	0.14	0.02
Lava Enterprise Limited	0.18	0.00
XOLO International (H.K.) Limited	-	8.58

Lava International Limited
Notes to standalone financial statements for the period ended 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Subsidiaries	
	31 March 2023	31 March 2022
Sojo Manufacturing Services (AP) Private Ltd	-	0.15
Trade payable		
Sojo Manufacturing Services (AP) Private Ltd	27.06	-

*During the current financial year, guarantees issued in support of certain purchase on credit terms.

Particulars	Joint Venture	
	31 March 2023	31 March 2022
A. Transactions during the year		
Expenses incurred on behalf of related parties		
Yamuna Electronics Manufacturing Cluster Private Limited	-	0.07
Advance given to related parties		
Yamuna Electronics Manufacturing Cluster Private Limited	0.10	-
B. Amount due from related parties		
Advance to vendor		
Yamuna Electronics Manufacturing Cluster Private Limited	0.21	0.11

Particulars	Parties in which Key Management Personnel of the Company are Interested	
	31 March 2023	31 March 2022
A. Transactions during the year		
Equity Shares issued to related parties		
Sojo Infotel Pvt Limited	-	1,020.00
Sales to related parties		
Ottomate International Private Limited	3.08	
Services taken		
Arn Express Worldwide Logistics	0.98	0.07
Expenses incurred on behalf of related parties		
Sojo Infotel Pvt Limited	-	0.03
Payment made to related parties		
Arn Express Worldwide Logistics	1.10	
Amount received from related parties		
Ottomate International Private Limited	2.00	-
Advance Given		
Sojo Infotel Pvt Limited	-	95.53
Advance received from related parties		
Sojo Infotel Pvt Limited	95.60	3.07
B. Amount due to / from related parties		
Other receivables		
Sojo Infotel Pvt Limited	0.04	0.04
Advance to Vendor		
Sojo Infotel Pvt Limited	-	95.00
Trade receivable		
Ottomate International Private Limited	1.60	0.69
Trade Payable		
Arn Express Worldwide Logistics	-	0.12

LAVA INTERNATIONAL LTD.

Lava International Limited
Notes to standalone financial statements for the period ended 31 March 2023
(All amounts in Indian Rupees million unless otherwise stated)

Particulars	Controlled Trust	
	31 March 2023	**31 March 2022**
A. Transactions during the year		
Expenses incurred on behalf of related parties		
Lava Employee Welfare Trust	0.07	0.07
Advance given to related parties		
Lava Employee Welfare Trust	0.10	-
B. Amount due from related parties		
Other receivables		
Lava Employee Welfare Trust	68.27	68.10

Particulars	Remuneration of Key Management Personnel	
	31 March 2023	**31 March 2022**
Short-term employee benefits	62.34	45.22
Post-employment benefits	4.63	4.47

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and their settlement occurs in cash. For the year ended 31 March 2023 and year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

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(All amounts in Indian Rupees million unless otherwise stated)

31 Commitments and contingencies

(A) Capital and other commitments

Particulars	31 March 2023	31 March 2022
Estimated amount of contracts to be executed on capital account [net of capital advances amounting to Rs. Nil (31 March 2022: Rs. 15.13 million) and not provided for] (refer note 9(a))	-	61.22

(B) Contingent liabilities

Particulars	31 March 2023	31 March 2022
Bank guarantees	472.25	537.57
Sales tax and custom matters [refer note (a)] (amount paid under protest Rs. 158.43 million) (31 March 2022: Rs. 126.45 million)	648.17	651.69
Goods and service tax matters [refer note (b)] (amount paid under protest Rs. 45 million) (31 March 2022: Rs. Nil million)	944.54	8.10
Income tax matters (amount paid under protest Rs. 4.05 million) (31 March 2022: Rs. 5.05 million)	96.41	97.65
	2,161.37	1,291.91

(a) Sales tax and custom

(i) The Hon'ble Supreme Court of India vide its order dated 17 December 2014 in the case of State of Punjab Vs. Nokia India Pvt. Limited, has held that the mobile charger contained in the mobile phone retail pack is an independent part and shall be separately charged to VAT at the rate as applicable to the chargers. The appellant has already approached the Hon'ble Supreme Court in a review petition challenging the judgment. In view of this judgment, the VAT Authorities of various states have raised demands along with interest and penalties aggregating to Rs. 119.06 million (31 March 2022: Rs. 115.46 million). The Company has filed appeal against these demands. Amount paid under protest against demands amounting to Rs. 39.75 million (31 March 2022: Rs. 46.50 million) have been disclosed under balance with statutory/government authorities in other assets.

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

(ii) Sales tax demands received of Rs 30.70 million (31 March 2022: Rs. 28.62 million) (amount paid under protest of Rs. 6.10 million (31 March 2022: Rs. 7.66 million)) (out of which Rs. 1.86 million (31 March 2022: Rs. 3.45 million) is pending for refund from department as the cases had been disposed off in favour of the company) from various sales tax authorities for which the management believes that the possibility of materialising the demand is remote.

(iii) Sales tax demands received of Rs 283.70 million (31 March 2022: Rs. 283.70 million) (amount paid under protest of Rs 70.93 million (31 March 2022: 70.93 million)) classifying mobile phone under residuary entry under schedule V, whereas as per lawyer's opinion product is well covered in specific entry 39 under schedule -IV for which management also believes that the possibility of materialising the sales tax demand is low. Accordingly, no provision is made in the financial statements for such demand.

(iv) "Camera Module for mobile phone" is neither similar nor identical with "Digital still image video cameras" as claimed by company and thus the items "Camera Module for mobile phone" is totally different from "Digital still image video camera, hence availed exemption is not eligible to company. According to the Company, the company have rightly claimed exemption from the payment of SWS under SR No 30 of the notification No 11/2018 CT dated 02.02.2018 which exempts "Digital Still Image video cameras" falling under the Heading 8525 8020, considering camera module & digital still image video camera serving the same purpose which is capturing the image and stored in data bank. Therefore, the Company have done no mistake by claiming exemption under above said notification. The period in which the Company had claimed this exemption is 2nd Feb 2018 to 31st Jul 2019. Total amount involved is Rs. 23.71 million (31 March 2022: 23.71 million). Against the order passed by Commissioner, the Company have filed an appeal before the CESTAT Delhi & deposited Rs. 1.36 million (31 March 2022: 1.36 million) of above amount for filing the appeal as prescribed under law. As per the consultant, the Company have a good case to argue and justify the claim.

(v) Search was conducted by Directorate of Revenue Intelligence (DRI) at company's premises on February 09, 2022. During investigation, questions were raised on interpretation issue for classification on imported display assembly. To avoid unnecessary business interruption, the company had decided to make a deposit of Rs. 40 million under protest. The Company has not received any show cause notice or demand from the Department. The management is of the opinion that the Company is in compliance of law and the Company has strong chances of success against any disputed demand and no liability will arise.

(b) Goods and Service tax

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

(ii) During the review of transactions of certain third parties, the Directorate General of Goods and Service Tax (DGGI), has identified certain sale and purchase transactions which was executed by the Company with those parties. Based on this, the Department has issued a show cause notice dated July 20, 2022 to the Company for the reversal of Input Tax Credit of Rs. 920 million (amount paid under protest of Rs. 20 million (31st March 2022: Nil)) related to earlier years. The Company has filed interim reply on June 21, 2023 before the aforementioned adjudicating authority. Management has obtained a legal opinion from the lawyers and based on such assessment, the Company does not expect any financial exposure and believe that it has a strong case and accordingly, no such reversal of Input Tax Credit will be required. Accordingly, no penalty, if any, will also be leviable as per the assessment of the management.

Further, out of transactions of certain third parties under review of DGGI, show cause notice has been issued by GST department, Delhi of Rs. 602.69 million on dated December 11, 2023 and Rs. 341.83 million (out of Rs. 371.14 million) on dated September 23, 2023 in relation to certain transactions with few parties. The Company has filed the reply against the demand notice on October 20, 2023 and conclusion pending for completion. As matter pending before DGGI and GST department, Delhi are for the same transactions, hence, it should be assessed by the single authority. Management believes that the Company is not anticipating any liability against these notices.

(c) Others

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

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

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

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

Consequently, the Company declared the RCA to be frustrated as there was no consideration in its favour and consequently stopped making payments to Mindfluctuals. As a result of this dispute, Mindfluctuals initiated arbitration proceedings for recovery of amounts for the 4th and 5th quarter under the RCA, which was denied by the Company along with seeking refund of the amounts paid for the first three quarters under the RCA ("First Arbitration"). In relation to the First Arbitration, an award dated July 15, 2020 had been passed holding the Company liable to pay approximately Rs. 240 million. The Company has challenged the award of the First Arbitration before the Hon'ble High Court of Delhi, which is admitted and pending final adjudication. Without prejudice to it's challenge to the award, the Company has already paid Rs. 271.03 millions (including TDS net of GST) and submitted bank guarantee of Rs 139.50 millions with the Registrar General, Delhi High Court. Basis the Company's management assessment and supported by independent legal opinion from the legal counsel of the Company, subject to the pending challenge, the entire amount paid by the Company under this agreement to Mindfluctuals is fully recoverable on legal grounds in favour of the Company.

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

(iii) On November 29, 2017, Share Subscription & Shareholder Agreement ("SSSHA") was executed between the Company, Promoters of the Company and UNIC Memory Technology (HK) Ltd. ("UNIC"). There were certain dispute between the parties for which arbitration proceeding was initiated.

During the arbitration, settlement was arrived between the parties on the basis of which Consent Award dated September 9, 2021 ("the Consent"), was passed by the arbitral tribunal.

In terms of the Consent Award UNIC has approached Delhi High Court which is pending adjudication. The Company has evaluated the case and does not foresee any additional liability towards UNIC.

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(All amounts in Indian Rupees million unless otherwise stated)

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

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

S. No.	Particulars	31 March 2023	31 March 2022
1	The principal amount remaining unpaid to any supplier as at the end of each accounting year.	132.17	241.00
2	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	1.19	1.19
3	The amount of interest paid by the buyer in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
5	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.19	1.19
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

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

S. No.	Particulars	31 March 2023	31 March 2022
1	Gross amount required to be spent by the Company during the year	10.03	8.05
2	Amount spent in cash during the year on:	10.03	8.10
a)	Construction/ acquisition of any asset	-	-
b)	Safeguarding environmental sustainability	-	8.10
c)	Promotion of education	10.03	-
d)	Upliftment of Rural Poor Youth	-	-
e)	Upliftment of Sports and Cultural Activities	-	-
3	Shortfall at the end of the year	-	-
4	Reason for Shortfall	NA	NA
5	Contribution to trust controlled by the company	Nil	Nil
6	Movement in Provision made	Nil	Nil

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(All amounts in Indian Rupees million unless otherwise stated)

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

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

During the financial years 2014 -2015 and 2015 - 2016, the Company was clearing the imported mobile phones by paying CVD of customs at higher rate of 7.21% before March 01, 2015 and 13.50% from March 01, 2015 instead of 2% during respective periods. The Company got re-assessed bills of entries amounting to Rs 618.47 million during the financial year 2017-18 Post clarification issued by the Hon'ble Supreme Court in M/s SRF case discussed above, and after re-assessment of bills of entries, the above said CVD amount became fully recoverable. Accordingly, the Company has claimed refund as per the Customs Act 1962.

As at 31st March 2023, total amount recoverable amounting to Rs. 212.37 million (31 March 2022: Rs. 212.37 million) (including recoverable charges for delayed payment amounting to Rs. 251.54 million (31 March 2022: Rs. 251.54 million)) was recorded, has been disclosed under "Balance with statutory/government authorities" based on legal opinion obtained.

35 **Research and development expenditure**

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

Particulars	31 March 2023	31 March 2022
Amount charged to Statement of Profit and Loss	155.88	128.92
Amount capitalised		
- Property, plant and equipment	11.89	10.36
	167.77	139.28

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(All amounts in Indian Rupees million unless otherwise stated)

36 Employee stock option plans:
The plans existing during the year are as follows:

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

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

	31 March 2023		31 March 2022	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at the beginning of year	49,161,556	8.35	48,701,702	8.27
Options granted during the year	1,201,872	24.86	459,852	17.02
Exercised / Settled during the year	152,808	19.21	-	-
Forfeited during the year	482,907	16.09	-	-
Outstanding at the end of the year	49,727,549	8.64	49,161,556	8.35
Exercisable as at end of the year	44,449,977	7.58	42,619,307	7.13

The details of the ESOP outstanding are as follows*:

Range of exercise price per share	Options Outstanding as at 31 March 2023			Options Outstanding as at 31 March 2022		
	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price
Rs 1 - Rs. 3.125	20,444,744	2.76	2.50	20,444,744	3.76	2.50
Rs. 6.250 - Rs. 9.375	1,639,200	3.18	7.72	1,639,200	4.18	7.72
Rs. 9.375 - Rs. 12.500	18,508,158	-	10.95	18,508,158	0.10	10.95
Rs. 15.625 - Rs. 18.750	7,933,575	2.99	16.82	8,569,440	3.73	16.81
Rs. 21.875 - Rs. 25.000	1,201,872	4.00	24.86	-	-	-

*Number of ESOPs and its exercise price has been calculated taking into account the following events happened post 31 March, 2021:
a) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10 September 2021, the Company undertook a stock split of one existing equity share of Rs. 10 each into two fully paid up equity shares of Rs. 5 each.
b) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 10 September 2021, the Company issued and allotted fully paid-up "bonus shares" at par in proportion of one new equity share of Rs. 5 each for every one existing fully paid up equity share of Rs. 5 each held as on the record date of 10 September 2021.

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

	31 March 2023	31 March 2022
Expense arising from equity-settled share-based payment transactions	16.53	126.69
(Income) / Expense arising from settlement of options	-	-
	16.53	**126.69**

(All amounts in Indian Rupees million unless otherwise stated)

37 Lease Liabilities

Contractual maturities of lease liabilities:-

The details of contractual maturities of lease liabilities as at March 31, 2023 & March 31, 2022 on an undiscounted basis are as follows:-

Particulars	31 March 2023	31 March 2022
Payable not later than 1 year	38.40	30.16
Payable later than 1 year and not later than 5 year	109.47	132.43
	147.87	**162.59**

Lease liability

Particulars	Office building	Factory building	Warehouse Building	Vehicle	Total
As at 31 March 2021	**51.00**	**133.12**	**2.21**	-	**186.34**
Addition in lease liability	-	-	-	-	-
Deletion in lease liability	-	-	-	-	-
Interest expense on lease liability	5.68	14.82	0.25	-	20.75
Payment made during CY	13.28	30.64	0.57	-	44.52
As at 31 March 2022	**43.40**	**117.30**	**1.89**	-	**162.59**
Addition in lease liability	-	-	-	19.08	19.08
Deletion in lease liability	-	-	-	-	-
Interest expense on lease liability	4.84	13.09	0.20	0.55	18.68
Payment made during CY	13.79	33.93	0.59	4.17	52.48
As at 31 March 2023	**34.45**	**96.46**	**1.50**	**15.46**	**147.87**
Non Current portion	**23.02**	**71.94**	**1.02**	**13.49**	**109.47**
Current maturities of lease liability	**11.43**	**24.52**	**0.48**	**1.97**	**38.40**

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(All amounts in Indian Rupees million unless otherwise stated)

38 Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022 -

Particulars	Numerator	Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	Variance
Current Ratio*	Current assets	Current liabilities	1.58	2.52	-37.28%
Debt- Equity Ratio*	Total debt including lease liabilities	Shareholder's equity	0.22	0.14	58.40%
Debt Service Coverage Ratio*	Earnings available for debt service	Debt service including lease liabilities	1.06	1.42	-25.76%
Return on Equity	Net Profit after taxes	Avg. shareholder's equity	2.78%	3.07%	-9.47%
Inventory Turnover Ratio	Revenue	Avg. Inventory	5.04	4.78	5.39%
Trade receivable Turnover Ratio*	Revenue	Avg. Trade receivables	3.98	2.29	73.86%
Trade payable Turnover Ratio	Purchases	Avg. Trade payables	5.18	4.39	17.90%
Net Capital Turnover ratio*	Revenue	Avg. Working capital	2.91	1.81	60.89%
Net Profit Ratio*	Net profit	Revenue	1.60%	2.23%	-28.02%
Return on Capital employed*	Earnings before interest and taxes	Capital employed	7.24%	4.90%	47.78%
Return on Investment	Earnings before interest and taxes	Avg. Total assets	4.04%	4.24%	-4.76%

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

Current Ratio: decreased due to decline in trade receivable on account of increase in allowance made for expected credit loss as compared to previous financial year.

Debt Equity Ratio: increased due to decline in other equity as compared to previous financial year.

Debt Service Coverage Ratio: decreased due to increase in debt repayment as compared to previous financial year.

Trade Receivable Turnover Ratio: increased due to revenue growth and decline in trade receivable on account of increase in allowance made for expected credit loss as compared to previous financial year.

Net Capital Turnover Ratio: increased due to revenue growth and reduction in average working capital due to decline in trade receivable on account of increase in allowance made for expected credit loss in current financial year.

Net Profit Ratio: decreased due to revenue growth and decline in net profit for the year.

Return on Capital employed: increased due to reduction in capital employed on account of decline in other equity as compared to previous financial year.

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

The summary of regrouping related to standalone balance sheet as at 31 March 2022 are as follows:

Particulars	Notes	31 March 2022	Regrouping	31 March 2022 Regrouped
Financial assets				
Other financial asset	7(f)	1,045.85	(986.13)	59.72
Current Assets				
Cash and cash equivalents	7(c)	220.64	502.69	723.33
Other bank balances	7(d)	681.92	483.44	198.48

The above regrouping does not have material impact on the financial statements.

40 The Company has appointed independent consultants for conducting a transfer pricing study to determine whether the transactions with associated enterprises were undertaken at "arm's length price". The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms and there is no adjustments required in financial statements on completion of the study.

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

42 **Non Adjusting Events subsequent to 31 March, 2023**
In respect of certain transactions pertaining to other company/companies relating to prior periods, the Directorate of Enforcement (ED) has filed a case against the Company and its former Managing Director which is sub-judice. On the basis of the information available and the legal opinion obtained by the Company, the prospects of the case being discharged is favorable. Accordingly, as on the date of approval of these financial results, the Company is not required to make any adjustments, disclosures or given any effect to the financial statements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

53 Business Combination

Pursuant to the Share Swap Agreement dated August 4, 2021 entered into amongst the Company, China Bird Communicaciones S.A., Clipper Global S.A., shareholders of Clipper Global S.A. and shareholders of the Company, the Company purchased 15,000 equity shares aggregating to 100% of the issued and paid-up share capital of China Bird Communicaciones S.A., on a fully diluted basis, from the Clipper Global S.A. for a consideration of USD 50.34 million.

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

China Bird Communicaciones S.A. is engaged in the supply of mobile phones and telecommunication equipments of its own brand.

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

For Raj Gupta and Company
Chartered Accountants
Firm's Registration No.: 000203N

Gaurav Joshi
Partner
Membership No. 553545

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

Shailendra Nath Rai
Whole-Time Director
(DIN-[illegible])

Sunil Bhalla
Director
(DIN-[illegible])

Vishal Sehgal
Director
(DIN-[illegible])

Sunil Raina
Whole-Time Director
(DIN-[illegible])

Sanjeev Agarwal
Whole-Time Director
(DIN-07116183)

Ashtava Bose
Chief Financial Officer

Preeti
Company Secretary
(M. No.: A33930)

Place: Noida
Date: March 28, 2024

Place: Noida
Date: March 28, 2024

RAJ GUPTA & CO.
Chartered Accountants
E-mail: carajguptaco@gmail.com
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INDEPENDENT AUDITOR'S REPORT

To the Members of Lava International Limited

Report on the Audit of the Consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Lava International Limited** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its trust, associate and a joint venture comprising of the consolidated balance sheet as at March 31, 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 then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries, trust, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, its consolidated profit including other comprehensive income, consolidated changes in equity, and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Holding company's Annual report, but does not include the consolidated Ind AS financial statements and our report thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated change in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule 2015 amended. The respective Board of Directors of the companies included in the Group including its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group including its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group, associate, and joint venture which the companies are incorporated in India has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision, and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matter

a) We did not audit the financial statements of 27 subsidiaries and 1 trust whose financial statements reflect total assets of Rs. 11,432.78 million and net assets of Rs 6,653.27 million as at March 31, 2023, total revenue of Rs. 32,795.93 million and net cash outflow amounting to Rs. 28.46 million for the year then ended on that date, as considered in the consolidated Ind AS financial statements before giving effect of elimination of intra-group transactions. The consolidated Ind AS financial statements also include the Group's share of loss (including other comprehensive loss) of Rs. 0.22 million for the year ended March 31, 2023, as considered in the consolidated Ind AS financial statements, in respect of an associate and joint venture, whose Ind AS financial statements have not been audited by us.

These financial statements have been audited by the other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, trust, associate and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, trust, associate and joint venture is based solely on the reports of the other auditors.

Further, of these subsidiaries, 25 subsidiaries are located outside India whose Ind AS financial statements and other financial information have been prepared in accordance with accounting principles generally acceptable in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

b) Also, we did not audit the financial statements and other financial information in respect of 8 subsidiary companies, whose financial statements reflect total assets of Rs. 93.55 million and net assets of Rs. 10.80 million as at March 31, 2023, total revenues of Rs. 9.75 million and net cash outflow amounting to Rs. 4.87 million for the year ended on that date, as considered in the consolidated Ind AS financial statements before giving effect of elimination of intra-group transactions. These financial statements and other information are unaudited and has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far it related to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and these financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated Ind AS financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated Ind AS financial statements.

2. Section 143(3) of the Act is not applicable to LAVA Employee Welfare Trust and companies incorporated outside India. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements and other financial information of subsidiaries referred to in the 'Other Matters' section above we report, to the extent applicable, that:

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(a) We/the other auditors whose report we have relied upon 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 the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, and the reports of the other auditors;

(c) The consolidated balance sheet, the consolidated statement of profit and loss, (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its subsidiary companies, associate and joint venture which are the companies incorporated in India, none of the directors of the Group's companies, its associate and joint venture which are companies incorporated in India is disqualified as on March 31, 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 Holding Company, its subsidiary companies, associate, and joint venture which are the companies incorporated in India, refer to our separate Report in "Annexure A"; and

(g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company which are the companies incorporated in India to its directors during the current year is in accordance with the provisions of Section 197 of the Act. Further, based on the auditor's report of subsidiary companies incorporated in India, no managerial remuneration is paid/provided by these subsidiary companies to their directors during the year ended March 31, 2023 and hence, reporting for the provisions of section 197 read with Schedule V to the Act is not applicable for these subsidiary companies;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Ind AS financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates, and joint ventures in its consolidated Ind AS financial statements – Refer Note 30 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates, and joint ventures, incorporated in India during the year ended March 31, 2023;

iv. (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 53 to the consolidated Ind AS financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 54 to the consolidated Ind AS financial statement, no funds have been received by the Holding Company or any of such subsidiaries and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such 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 have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose Ind AS financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The Holding company and subsidiary companies incorporated in India have not declared and paid dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Holding Company and its subsidiary companies which are incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Raj Gupta & Co.
Chartered Accountants
Firm Registration No: 000203N

Gaurav Jindal

CA Gaurav Jindal
Partner
Membership No. 553645
UDIN: 24553645BKCPTF5798
Place: Noida
Date: 20-05-2024

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Annexure - A to the Independent Auditors' Report of Even Date on the Consolidated Ind AS financial statements of the Lava International Limited

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

In connection with our audit of the consolidated Ind AS financial statements of The Lava International Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which are companies incorporated in India, audited by other auditors.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, associates and joint venture incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated Ind AS financial statements based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by 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 with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Ind AS financial statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS 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 consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS financial statements

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

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Opinion

In our opinion, the Holding Company, its subsidiary companies, its joint ventures, and its associates which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to 4 subsidiaries, 1 associate and 1 joint venture which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India.

For Raj Gupta & Co.
Chartered Accountants
Firm Registration No: 000203N

CA Gaurav Jindal
Partner
Membership No. 553645
UDIN: 24553645BKCPHW5798
Place: Noida
Date: 20-05-2024

Lava International Limited
Consolidated balance sheet as at 31 March 2023
(All amounts in Indian Rupees millions, unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	578.91	1,619.64
Capital work-in-progress	3	191.59	568.69
Intangible assets	4	2,108.47	2,230.05
Goodwill	4	453.51	426.90
Right of use asset	5	116.89	130.14
Investments accounted for using the equity method	35	60.87	61.09
Financial assets			
Investments	6 (a)	587.31	695.15
Other financial assets	6 (f)	130.93	87.23
Deferred tax assets (net)	22	310.23	315.49
Other non-current assets	8 (a)	237.03	117.27
		5,174.13	6,241.76
Current assets			
Inventories	7	7,361.20	6,828.77
Financial assets			
Investments	6 (b)	28.73	-
Trade receivables	6 (c)	7,181.88	12,921.16
Cash and cash equivalents	6 (d)	562.59	930.69
Other bank balances	6 (e)	514.05	1,684.36
Other financial assets	6 (g)	509.68	1,266.45
Other current assets	8 (b)	3,226.74	4,660.42
		20,086.77	27,691.86
TOTAL ASSETS		25,260.91	33,933.62
Equity and liabilities			
Equity			
Equity share capital	9	2,765.63	2,765.63
Instruments entirely equity in nature	9	33.42	33.42
Other equity			
Securities premium reserve		5,690.34	5,690.34
Treasury shares		(103.34)	(103.34)
Foreign currency translation reserve		616.58	491.71
Share based payment reserve		372.14	357.41
Retained earnings		4,411.64	11,874.16
Other reserve		17.31	17.31
Equity attributable to equity holders of the Holding Company		14,065.71	22,906.64
Non-controlling interest		(22.83)	(22.13)
Total equity		14,042.88	22,884.51
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	10 (a)	229.82	524.79
Lease liabilities	10 (d)	109.47	132.44
Provisions	11 (b)	59.34	56.51
		398.63	713.74

Lava International Limited
Consolidated balance sheet as at 31 March 2023
(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
Current liabilities			
Financial liabilities			
Borrowings	10 (b)	2,828.58	2,699.37
Lease liabilities	10 (c)	38.40	30.16
Trade payables			
- total outstanding dues of micro enterprises and small	10 (e), 32	132.17	241.90
- total outstanding dues of creditors other than micro enterprises and small enterprises	10 (e)	5,730.74	4,915.71
Other financial liabilities	10 (f)	1,512.84	1,392.80
Other current liabilities	12	332.02	642.77
Provisions	11 (b)	133.78	147.35
Current tax liabilities (net)	13	110.87	265.37
Total Current liabilities		**10,819.40**	**10,335.38**
TOTAL EQUITY AND LIABILITIES		**25,200.91**	**33,933.42**
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date as attached

For Raj Gupta and Company
Chartered Accountants
Firm's Registration No.: 000203N

Gaurav Jindal
Partner
Membership No.: 553445

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

Shailendra Nath Rai
Whole-Time Director
(DIN-00998417)

Sunil Raina
Whole-Time Director
(DIN-09502095)

Sanjeev Agarwal
Whole-Time Director
(DIN-07110183)

Sunil Bhalla
Director
(DIN-00900048)

Vishal Sehgal
Director
(DIN-03127669)

Anindra Bose
Chief Financial Officer

Preeti
Company Secretary
(M. No.- A33930)

UDIN: 24553445BKCPHW5347
Place: Noida
Date: 20th May 2024

Place: Noida
Date: 20th May 2024

Lava International Limited

Consolidated statement of profit and loss for the year ended 31 March 2023

(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	14	54,435.99	58,776.45
Other income	15	273.87	203.68
Total income (I)		54,709.86	58,980.13
Expenses			
Cost of raw material and components consumed	16	16,913.71	11,473.79
Purchase of traded goods		28,807.15	38,700.71
Changes in inventories of finished goods, spares and stock in trade	17	(490.99)	(1,037.89)
Employee benefit expenses	18	2,106.34	2,122.74
Other expenses	19	4,446.51	4,280.40
Total expense (II)		51,782.72	55,539.75
Earnings before share of loss of an associate & joint venture, interest, tax, depreciation and amortisation and tax		**2,927.14**	**3,440.38**
Depreciation and amortisation expense	20	1,400.54	967.14
Finance costs	21	538.32	441.17
Profit before share of loss of an associate & joint venture and tax		**988.28**	**2,032.07**
Share of loss of joint venture, associates (net of tax) (III)	35	0.22	0.96
Profit before tax		**988.06**	**2,031.11**
- Current tax		119.32	265.13
- Tax charge/(credit) relating to earlier years		(16.90)	(16.21)
- Deferred tax expense/(income)		5.89	(86.47)
Income tax expense	22	**108.31**	**162.45**
Profit for the year		**879.75**	**1,868.66**
Other comprehensive income			
Other comprehensive income not to be reclassified to			
- Re-measurement (gains)/losses of	27	(1.71)	0.07
- Income tax relating to this item		(0.43)	(0.02)
Other comprehensive income that will be reclassified to profit or loss in subsequent periods :			
-Exchange difference on translation of foreign operations		(204.87)	(261.51)
Other comprehensive income/loss for the year (net of tax)		**(207.01)**	**(261.46)**
Total Comprehensive income for the year (net of tax)		**1,086.77**	**2,130.12**

Lava International Limited
Consolidated statement of profit and loss for the year ended 31 March 2023
(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit for the year is attributable to			
- Equity holders of Holding Company		880.44	1,869.18
- Non-controlling interest		(0.70)	(0.53)
Other comprehensive income of the year is attributable to			
- Equity holders of Holding Company		207.01	261.46
- Non-controlling interest		-	-
Total comprehensive income of the year is attributable to			
- Equity holders of Holding Company		1,087.45	2,130.64
- Non-controlling interest		(0.70)	(0.53)
Earnings per equity share (in rupees)	23		
Basic		**1.63**	**3.54**
Diluted		**1.58**	**3.25**

Summary of significant accounting policies 2.1

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date as attached
For Raj Gupta and Company
Chartered Accountants
Firm's Registration No.: 000203N

Gaurav Jindal
Partner
Membership No.: 553645

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32300DL2009PLC188926

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

Sunil Raina
Whole-Time Director
(DIN-09302069)

Sanjeev Agarwal
Whole-Time Director
(DIN-07110183)

Sunil Bhalla
Director
(DIN-00980040)

Vishal Sehgal
Director
(DIN-03137049)

Dhruva Bose
Chief Financial Officer

Preeti
Company Secretary
(M. No.- A52936)

UDIN: 24553645BKCPHU5742
Place: Noida
Date: 20th May 2024

Place: Noida
Date: 20th May 2024

Lava International Limited
Consolidated Statement of changes in equity for the year ended 31 March 2023
(All amounts in Indian Rupees million, unless otherwise stated)

a. Equity share capital

Balance as at 01 April 2022	Changes in equity share capital due to prior period errors	Restated balance at 01 April 2022	Changes in equity share capital during the year	Balance as at 31 Mar 2023
2705.63	Nil	2705.63	Nil	2705.63

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

b. Instruments entirely equity in nature

Balance as at 01 April 2022	Changes in instruments entirely equity in nature due to prior period errors	Restated balance at 01 April 2022	Changes in instruments entirely equity in nature during the year	Balance as at 31 March 2023
33.42	Nil	33.42	Nil	33.42

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

Lava International Limited
Consolidated Statement of changes in equity for the year ended 31 March 2023
(All amounts in Indian Rupees million, unless otherwise stated)

c. Other equity

Particulars	Attributable to the equity holders of Holding Company								Non controlling interest	Total
	Reserves and Surplus				Items of Other Comprehensive Income			Total		
	Securities premium reserve [refer note (i)]	Share based payment reserve [refer note (ii)]	Retained earnings	Debenture redemption reserve [refer note (iii)]	FVTOCI - equity investment reserve [refer note (iv)]	FCTR - reserve [refer note (v)]	Treasury shares [refer note (vi)]			
As at 31 March 2021	2,393.58	228.72	11,630.02	-	(7.09)	432.20	(63.34)	14,613.49	(21.60)	14,591.89
Provision for expected credit loss (refer note 5 (i))	-	-	-	-	-	-	-	-	-	-
Total profit for the year	-	-	1,869.19	-	-	-	-	1,869.19	(0.53)	1,868.66
Other comprehensive income for the year	-	-	(0.05)	-	-	261.51	-	261.46	-	261.46
Total comprehensive income for the year	-	-	1,869.14	-	-	261.51	-	2,130.65	(0.53)	2,130.12
Share based payment expense	-	126.69	-	-	-	-	-	126.69	-	126.69
Shares issued during the year (refer note 9)	3,578.99	-	-	-	-	-	-	3,578.99	-	3,578.99
Right shares issue	1,000.86	-	-	-	-	-	-	1,000.86	-	1,000.86
Bonus shares issue	(1,283.09)	-	-	-	-	-	-	(1,283.09)	-	(1,283.09)
Debenture redemption reserve	-	-	(25.00)	25.00	-	-	-	-	-	-
As at 31st March 2022	5,690.34	355.41	13,474.16	25.00	(7.09)	693.71	(63.34)	20,147.89	(22.13)	20,145.76
Total profit for the year	-	-	880.27	-	-	-	-	880.27	-	880.27
Provision for expected credit loss (refer note 5(i)*)	-	-	(9,945.57)	-	-	-	-	(9,945.57)	-	(9,945.57)
Other comprehensive income for the year	-	-	2.84	-	-	204.87	-	207.71	(0.79)	207.01
Total comprehensive income for the year	-	-	(9,062.01)	-	-	204.87	-	(8,857.46)	(0.79)	(8,858.25)
Share based payment expense	-	16.83	-	-	-	-	-	16.83	-	16.83
Shares issued during the year (refer note 9)	-	(0.10)	-	-	-	-	-	(0.10)	-	(0.10)
As at 31st March 2023	5,690.34	372.14	4,411.64	25.00	(7.09)	898.58	(63.34)	11,326.87	(22.92)	11,303.95

*To comply with the requirements of Ind AS 109 - Financial Instruments, the Holding Company has created total ECL of Rs. 9,945.57 million during the current financial year. As it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, in compliance with the requirements of para 44 of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, has been adjusted in the opening retained earnings.

Lava International Limited
Consolidated Statement of changes in equity for the year ended 31 March 2024
(All amounts in Indian Rupees million, unless otherwise stated)

Notes:

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

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

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

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

(v) **Foreign currency translation reserve :** Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity.

(vi) **Treasury shares :** The amount of treasury shares has been recorded against the shares of Holding Company purchased by Lava Employees welfare Trust from the employees of the Holding Company at the time of their exit from the Holding Company.

Summary of significant accounting policies (refer note 2.1)

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date as attached
For Raj Gupta and Company
Chartered Accountants
Firm's Registration No. : [illegible]

[illegible]
Partner
Membership No.: [illegible]

UDIN: [illegible]
Place: Noida
Date: 20th May 2024

For and on behalf of the Board of Directors of
Lava International Limited
CIN - [illegible]

Sanjeev Agarwal

Shailendra Nath Rai
Whole-Time Director
(DIN-[illegible])

[illegible]
Whole-Time Director
(DIN-[illegible])

Sanjeev Agarwal
Whole-Time Director
(DIN-[illegible])

Sunil Bhalla
Director
(DIN-[illegible])

Vishal Sehgal
Director
(DIN-[illegible])

[illegible]
Chief financial officer

Preeti
Company Secretary
(M. No.- [illegible])

Place: Noida
Date: 20th May 2024

Lava International Limited
Consolidated cash flow statement for the year ended 31 March 2023
(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flow from operating activities		
Profit before tax	**988.06**	**2,031.11**
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation/amortization	1,400.54	967.14
(Profit)/ loss on sale of property, plant and equipment	(1.95)	0.08
Unrealized foreign exchange (gain)/ loss	(65.60)	(215.87)
Net gain on sale of mutual fund investments	(0.30)	(0.33)
Share of loss/(Profit) of associate/ joint venture	0.22	0.56
Fair value (gain)/loss on derivative financial instrument at FVTPL	1.96	(5.82)
Payment of principal portion of lease liabilities	-	(23.75)
Provision for Share based payment Expenses	16.83	126.69
Provision for Inventories obsolescence	(20.25)	5.28
Provision for trade receivables and advances	(0.29)	255.28
Amortization of prepaid security deposit	0.97	1.28
Interest expense	427.75	322.82
Interest income	(54.77)	(72.20)
Operating profit before working capital changes	**2,673.26**	**3,391.68**
Movements in working capital:		
Increase/ (Decrease) in trade payables and other liabilities	511.38	(423.65)
Increase/ (Decrease) in provisions	(10.73)	(14.79)
(Increase)/ Decrease in trade receivables	(1,841.69)	(919.54)
(Increase)/ Decrease in inventories	(512.21)	(738.42)
(Increase)/ Decrease in other assets	(189.09)	(351.42)
Cash generated from operations	631.12	943.92
Income taxes paid (net of refunds)	(262.22)	(290.69)
Net cash flow from / (used in) operating activities (A)	**368.91**	**653.23**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress , intangibles and capital advances	198.36	(1,910.38)
Proceeds from sale of property, plant and equipment (including intangibles)	3.16	0.17
Investment in equity shares of other companies	(299.79)	(244.10)
Purchase of mutual fund investments	(53.30)	(419.98)
Sale of mutual fund investments	25.00	430.37
Investment in bank deposits	(2,839.66)	(963.04)
Maturity of bank deposits	2,993.00	1,441.00
Interest received	48.22	39.73
Net cash flow from / (used in) investing activities (B)	**65.89**	**(1,496.23)**
Cash flow from financing activities		
Proceeds from issuance of equity	-	1,020.00
Proceeds from issuance of NCD	-	250.00
Proceeds from long term borrowings	(71.63)	301.67
Movement in short-term borrowings	(94.72)	349.78
Interest paid on lease liability	(18.68)	(20.78)
Payment of principal portion of lease liabilities	(13.00)	-
Interest paid on borrowings	(387.79)	(257.62)
Net cash from/ (used in) financing activities (C)	**(585.82)**	**1,643.05**

Lava International Limited
Consolidated cash flow statement for the year ended 31 March 2023
(All amounts in Indian Rupees million, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net increase in cash and cash equivalents (A + B + C)	(171.23)	590.05
Effect of exchange rates on translation of operating cashflows	204.12	57.40
Cash and cash equivalents at the beginning of the year	930.69	218.75
Cash of China Bird on acquisition happened during the year	-	64.49
Cash and cash equivalents at the end of the year	**963.59**	**930.69**
Components of cash and cash equivalents		
Cash on hand	8.54	8.12
With banks on current account		
- on deposit account	751.54	578.82
- others balances	203.51	343.75
Total cash and cash equivalents [Refer note 6 (d)]	**963.59**	**930.69**

Summary of significant accounting policies (refer note 2.1)
The accompanying notes form an integral part of these consolidated financial statements.
The schedules referred to above and notes on accounts form an integral part of the consolidated cash flow statement.
The above Cash flow statement has been prepared under the Indirect method set out in Ind AS-7 'Statement of Cash Flow'.
Cash flow from operating activities include Rs. 10.00 millions (31st March 2022 : Rs. 8.10 millions) being expenses towards Corporate Social Responsibility.

As per our report of even date as attached.

For Raj Gupta and Company
Chartered Accountants
Firm's Registration No.: 000203N

Gaurav Jindal

Gaurav Jindal
Partner
Membership No. 553645

For and on behalf of the Board of Directors of
Lava International Limited
CIN: U32201DL2009PLC188839

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

Sunil Raina
Whole-Time Director
(DIN-00302069)

Sanjeev Agarwal

Sanjeev Agarwal
Whole-Time Director
(DIN-07110183)

Sunil Bhalla
Director
(DIN-00980040)

Vishal Sehgal
Director
(DIN-03127049)

Sanjiva Bose
Chief financial officer

Preeti
Company Secretary
(M. No.- A53936)

UDIN: 24553645BKCPMW5798
Place: Noida
Date: 20th May 2024

Place: Noida
Date: 20th May 2024

1. **Corporate information**

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

The consolidated financial statements for the year ended 31[st] March 2023 were approved and authorized for issue by the board of directors in their meeting held on 20[th] May 2024.

2. **Basis of preparation**

a. **Statement of compliance**

The consolidated financial statements of the Company, the trust, its subsidiaries (collectively referred to as "Group") and the Group's interest in joint ventures and associate have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter notified under section 133 of the Companies Act, 2013, (the "Act") and other relevant provisions of the Act.

These financial statements are presented in Indian rupees, and all amounts have been rounded-off to the nearest millions upto two places of decimal, unless otherwise indicated.

b. **Basis of measurement**

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

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

c. **Use of estimates and judgements**

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

Significant estimates

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

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses. Carrying amount of defined benefit obligations are disclosed in Note 27.

Provisions for warranties – A provision is estimated for expected warranty in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. Carrying amount of provision is disclosed in Note 11.

<u>**Significant judgments**</u>

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

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

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

(d) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Group and its interest in joint venture and associate as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The nature of the Group's information are set out in Note 37.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the company gains control until the date the company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(e) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
The considerations made in determining whether significant influence or joint control are similar to those

necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Parent Company. When necessary, adjustments are made to bring the accounting policies in line with those of the company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

2.1 Summary of significant accounting policies

(a) Current Vs Non-current classification

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

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

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

A liability is current when:

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

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

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

Operating cycle

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

(b) Functional and Presentation Currency

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

(c) Property, plant and equipment

i. Recognition and measurement

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

ii. Subsequent expenditure

Subsequent costs are capitalised on the carrying amount or recognized as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

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

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

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

iii. Depreciation

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

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

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

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

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

The Group reassess and review the carrying value of the assets at each reporting date. In case carrying value is higher than the recoverable amount or the benefits arising from the assets then carrying value is impaired/depreciated to the extent of recoverable amount of benefit to be received in future.

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

(d) **Intangible assets**

i. **Recognition and initial measurement**

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

ii. **Subsequent expenditure**

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

iii. **Amortization**

The useful lives of intangible assets is assessed as finite as stated below and the assets are amortized over their useful lives and assessed for impairment whenever there is an indication that an intangible asset may be impaired. In respect of Customer relationships and brand names are recorded at cost less accumulated amortisation and are amortised on a straight line basis over their estimated useful lives as follows

Assets	Useful Lives
Computer software (over license period)	1-5 Years
Brand	20 years
Long term customer contract	20 years
Internally generated software	3- 5Years

Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the fair value of net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is tested for impairment annually and measured at cost less any accumulated impairment losses if any.

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

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

Research and development costs

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

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

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

(e) Leases

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

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

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease. Liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset (Refer note 3b).

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

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

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

(f) *Impairment of non-financial assets*

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

(g) Financial instruments

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

Financial assets

Recognition and initial measurement

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Classification and subsequent measurement

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

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

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

This category is most applicable to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets at FVTPL

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

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

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

Financial assets at FVTOCI

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Financial asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss (P&L). Interest earned whilst holding FVTOCI financial instrument is reported as interest income using the EIR method.

Equity Investments

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

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

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

De-recognition

A financial asset is de-recognized only when

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. For the financial assets measured as at amortised cost, contractual revenue receivables, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss.

Loans and borrowings

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

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

Financial guarantee contracts

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

De-recognition

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

Reclassification of financial assets

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

Offsetting financial instruments

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

(h) Derivative financial instrument

The Group uses derivative financial instruments i.e., forward and futures currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

(i) Fair value Measurement

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

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

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

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

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

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

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

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

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

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

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

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

(j) Inventories

Inventories are valued at the lower of cost or net realisable value.

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

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

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

(k) Revenue recognition

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

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

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

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

Sale of Goods

Revenue from sale of goods is recognized when the significant risk and rewards of ownership of the goods have been passed to the buyer which generally coincides with delivery of goods, as per the contractual terms with customers. Revenue is measured at the fair value of the consideration received or receivable for the sale of goods in the ordinary course of Group's activities. Revenue is shown net of GST, returns, sales incentives and discounts.

The group has concluded that the Group is principal in all of its revenue arrangements since the Group is the primary obligor in all the revenue arrangements as the Group has pricing latitude and is also exposed to inventory and credit risks.

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

Sale of Services

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

Interest

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

Dividend Income
Dividend Income is recognized when the Group's right to receive the amount has been established.

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

Disaggregation of Revenue
See Note 28 (Segment Reporting) to Consolidated Financial Statements for our disaggregated revenues.

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

d) **Foreign currencies**

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the respective currency of the primary economic environment in which in which the entity in Group operates i.e. the "functional currency". These financial statements are presented in Indian rupees, which is also the functional currency of the parent. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognized initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at yearly average exchange rates. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

(m) Income taxes

Current income tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

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

Deferred income tax

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

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

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

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

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

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

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

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

(u) Employee benefits

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

Defined Contribution plans

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

Defined benefits plans

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

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

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

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

Other short-term employee benefits

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

Share based payments

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

Equity-settled transactions

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

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

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

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

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

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

(n) Provisions and Contingent Liabilities

Provisions

General

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

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

Warranty provisions

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

Decommissioning liability

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

Contingent liabilities

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

(p) Earnings per share

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

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

(q) Operating Segment

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

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

(r) Borrowing costs

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

(s) Cash and cash equivalents

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

(t) Exceptional items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

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

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

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

(v) Business Combination

Business Combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities assumed at their acquisition date i.e. the date on which control is acquired. Contingent consideration to be transferred is recognized at fair value and included as part of cost of acquisition. Transaction related costs are expensed in the period in which the costs are incurred. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

(w) Treasury Shares

The group has created a Lava Welfare Trust ('the trust') for providing share-based payment to its employees. The group uses the trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The trust buys Company's shares from the employees of the Company as per the employee remuneration schemes. The group treats the trust as its extension and shares held by the trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from total equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in general reserve. Share options exercised during the reporting period are settled with treasury shares.

(x) Recent Accounting Pronouncements

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

Lava International Limited
Notes to consolidated financial statements for the year ended 31 March 2023
(All amounts in Indian Rupees million, unless otherwise stated)

3 Property, plant and equipment

Particulars	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Vehicles	Demonstration fixtures	Leasehold improvements	Land	Electrical installations	Total	Capital work-in-progress*
Gross Block											
At 1st April 2021	770.96	37.78	84.93	161.71	18.28	1,238.19	401.92	20.04	0.88	2,744.02	22.75
Additions/Adjustment**	140.38	14.08	14.22	34.30	-	1,104.42	56.14	-	-	1,323.76	877.51
Disposals/ Capitalised	-	-	0.33	10.28	-	-	0.02	-	-	10.52	45.36
Exchange difference	-	0.31	(3.52)	(2.73)	(0.83)	51.16	(5.01)	-	-	39.18	4.75
At 31-March 2022	**911.34**	**52.17**	**95.30**	**183.02**	**17.45**	**2,393.77**	**453.04**	**20.04**	**0.88**	**4,096.95**	**508.65**
Additions/Adjustment	135.78	-	2.83	33.89	3.06	-	1.13	-	11.00	174.73	16.81
Disposals/ Capitalised	5.11	0.29	0.78	7.89	-	-	-	20.04	-	47.65	489.63
Exchange difference	-	1.30	3.40	2.52	-	183.63	2.44	-	-	194.16	22.12
At 31-March 2023	**1,041.93**	**53.19**	**100.84**	**210.74**	**20.51**	**2,577.40**	**456.61**	-	**9.88**	**4,422.98**	**193.95**
Accumulated Depreciation											
At 1st April 2021	320.53	36.71	76.23	151.74	13.22	656.92	298.59	-	0.21	1,553.16	-
Charge for the year/ adjustment ***	109.99	14.21	10.88	23.94	1.28	714.92	38.84	-	0.09	922.16	-
Disposals/ Capitalised	-	-	0.09	10.29	-	-	-	-	-	10.38	-
Exchange difference	-	(1.14)	(3.51)	(3.01)	(0.71)	26.29	(5.16)	-	(0.71)	12.27	-
At 31-March 2022	**430.53**	**49.80**	**91.53**	**162.38**	**12.79**	**1,398.13**	**332.28**	-	**(0.22)**	**2,477.21**	-
Charge for the year/ adjustment	137.85	1.44	2.37	15.17	1.45	1,053.03	29.70	-	0.09	1,243.36	-
Disposals/ Capitalised	-	-	-	-	-	-	-	-	-	-	-
Exchange difference	(5.10)	0.95	2.58	(4.41)	-	(24.23)	4.35	-	-	(22.68)	-
At 31-March 2023	**563.27**	**52.19**	**96.59**	**173.13**	**14.64**	**2,577.28**	**366.33**	-	**(0.14)**	**2,843.17**	-
Net Block											
At 31-March 2023	478.67	0.99	4.24	37.61	6.87	0.02	52.29	-	0.99	578.81	193.99
At 31-March 2022	480.74	2.37	3.77	20.65	4.66	995.64	80.76	20.04	1.82	1,619.64	508.65

*Capital work-in-progress includes Plant and machinery, dyes in shop
** Additions / Adjustments in gross block include Rs. 63.58 million on account of entity acquired during the financial year 2021-22.
***Depreciation include Rs. 22.89 million on account of entity acquired during the financial year 2021-22.
Note : Certain property, plant and equipment are hypothecated as collateral against borrowings, the details of which have been described in note 18.

(All amounts in Indian Rupees million, unless otherwise stated)

Ageing of Capital work-in-progress: -

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	10.81	181.18	-	-	191.99
Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	**10.81**	**181.18**	**-**	**-**	**191.99**

	Amount
Projects which have exceeded their original timeline	181.18
Projects which have exceeded their original budget	-

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	568.69	-	-	-	568.69
Projects temporarily suspended	-	-	-	-	-
Capital work-in-progress	**568.69**	**-**	**-**	**-**	**568.69**

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

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(All amounts in Indian Rupees million, unless otherwise stated)

7 Intangible assets

Particulars	Computer Softwares and Licenses	Internally generated software	Long Term Customer Contracts	Brand	Licenses & patents	Total	Goodwill
Gross Block							
As at 1st April 2021	435.76	129.68	-	-	-	565.44	-
Additions/Adjustment*	20.63	-	64.08	2,102.63	37.05	2,224.39	462.15
Deletion	-	-	-	-	-	-	-
Exchange difference	20.68	0.14	1.21	39.55	0.70	62.28	(35.23)
As at 31 March 2022	477.07	129.82	65.29	2,142.18	37.75	2,852.11	426.92
Additions/Adjustment	9.54	-	-	-	-	9.54	-
Deletion	-	-	-	-	-	-	-
Exchange difference	57.56	-	-	-	3.12	60.68	24.62
As at 31 March 2023	544.17	129.82	65.29	2,142.17	40.87	2,922.33	451.54
Accumulated Amortisation							
As at 1st April 2021	417.28	116.56	-	-	-	533.84	-
Charge for the year/adjustment **	15.77	4.66	1.66	52.57	-	74.66	-
Disposal	-	-	-	-	-	-	-
Exchange difference	20.53	0.01	(0.03)	0.99	-	21.56	-
As at 31 March 2022	453.58	121.23	1.63	53.56	-	630.06	-
Charge for the year/adjustment	11.89	2.66	3.26	107.11	-	124.85	-
Disposal	-	-	-	-	-	-	-
Exchange difference	58.94	0.01	-	-	-	58.95	-
As at 31 March 2023	524.41	123.90	4.90	160.67	-	813.86	-
Net Block							
As at 31 March 2023	19.76	5.92	60.39	1,981.50	40.87	2,108.47	451.54
As at 31 March 2022	23.49	8.59	63.66	2,088.62	37.75	2,222.05	426.92

*Additions / Adjustments in gross block include Rs. 13.46 Million on account of entity acquired during the financial year 2021-22.

**Amortisation include Rs. 8.12 Million on account of entity acquired during the financial year 2021-22.

8. Right of use asset

Particulars	Office building	Factory building	Warehouse Building	Vehicle	Total
Gross Block					
As at 1st April 2021	62.81	159.15	2.69	-	224.65
Additions	-	-	-	-	-
Deletion	-	-	-	-	-
As at 31 March 2022	62.81	159.15	2.69	-	224.65
Additions	-	-	-	19.08	19.08
Deletion	-	-	-	-	-
As at 31 March 2023	62.81	159.15	2.69	19.08	243.73
Accumulated Depreciation					
As at 1st April 2021	18.58	43.64	0.79	-	63.01
Additions	9.29	21.82	0.39	-	31.50
Deletion	-	-	-	-	-
As at 31 March 2022	27.87	65.46	1.18	-	94.51
Additions	9.30	21.82	0.40	0.81	32.33
Deletion	-	-	-	-	-
As at 31 March 2023	37.17	87.28	1.58	0.81	126.84
Net Block					
As at 31 March 2023	25.64	71.87	1.11	18.27	116.89
As at 31 March 2022	34.94	93.69	1.51	-	130.14

(All amounts in Indian Rupees millions, unless otherwise stated)

6. Financial assets

6 (a) Investments (non-current) (Unquoted)

	As at 31 March 2023		As at 31 March 2022	
	No of Units	Amount	No of Units	Amount
Investments in equity instruments of other entities (at fair value through other comprehensive income)				
63,830 Equity Share (31 March 2022: 63,830) of 0.001 SGD each fully paid up of Afferyn Pte. Ltd.*	63,830	-	63,830	-
500 (31 March 2022: 500) Equity Share of 10,000 CNY each fully paid up of Shenzhen Jmax Technology Co. Limited (Formerly known as Xolo Technology (Shenzen) Limited)	500.00	64.88	500.00	59.59
6,222,268 Digital Surf Inc (31 March 2022: 5,656,608) Equity Share of $ 1 each fully paid up	6,222,268	689.71	5,656,608	629.33
49% Ownership interest (31 March 2022: 49%) in CIRCA LLC		93.27		84.09
25,000 (31 March 2022: 25,000) Equity Share of $ 30 each fully paid up of Diamond Foundry Inc.	25,000	68.86	25,000	62.86
7,200 (31 March 2022: 7200) Equity Share of $ 100 each fully paid up of Marbero enterprises S.A.	7,200	59.17	7,200	58.86
20,000 (31 March 2022: 20,000) Equity shares of Rs 10 each fully paid up of Sri Venkateswara Metals & Electronic Manufacturing Hub Private Limited	20,000	0.20	20,000	0.22
		987.21		895.15
Aggregate amount of unquoted investment		987.21		895.15

*As at 31st March 2023, the Holding Company has fair valued the investment at Nil (31 March 2022 - Nil) amount as there is no future economic benefit expected from the investment.

6 (b) Investments (current)

	As at 31 March 2023		As at 31 March 2022	
	No of units	Amount	No of units	Amount
Investment in Mutual funds (Quoted) (at fair value through profit or loss)				
LIC MF Overnight Fund-Regular Plan Growth	17,287	20.11	-	-
Union Corporate Bond Fund Regular Plan - Growth	300,000	5.04	-	-
		25.15		-
Canara Robeco MF - Regular Plan Growth	144,758	3.58	-	-
		3.58		-
		28.73		-
Aggregate amount of quoted investment		25.15		0.00
Market value of quoted investments		25.15		0.00
Aggregate amount of unquoted investment		3.58		0.00
Market value of unquoted investment		3.58		0.00

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(All amounts in Indian Rupees million, unless otherwise stated)

8 (c) Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured		
- Considered good	16,059.76	12,954.16
- Considered doubtful	31.99	42.50
	16,091.75	**12,996.66**
Less :		
- Provision for doubtful debts	(31.99)	(42.50)
- Allowance for credit loss (ECL)	(8,677.88)	(1,033.00)
	7,381.88	**12,921.16**

Ageing of trade receivables -

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023	-						
Undisputed trade receivables-	76.58	6,296.26	1,889.79	1,478.13	1,746.53	4,572.47	16,059.76
Undisputed trade receivables -	-	-	-	-	-	-	-
Disputed trade receivables -	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	0.11	0.17	1.19	4.44	26.08	31.99
Total trade receivables	**76.58**	**6,296.37**	**1,889.96**	**1,479.32**	**1,750.97**	**4,598.55**	**16,091.75**
Less: Provision for doubtful debts	-	-	-	-	-	-	(31.99)
Less: Allowance for credit loss	-	-	-	-	-	-	(8,677.88)
Net trade receivables	-	-	-	-	-	-	**7,381.88**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 Mar 2022							
Undisputed trade receivables- considered good	557.49	4,808.16	61.51	2,035.91	3,573.11	917.98	12,954.16
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	1.05	4.93	6.08	30.44	42.50
Total trade receivables	**557.49**	**4,808.16**	**62.56**	**2,040.84**	**3,579.19**	**948.42**	**12,996.66**
Less: Provision for doubtful debts							(42.50)
Less: Allowance for credit loss	-	-	-	-	-	-	(1,033.00)
Net trade receivables	-	-	-	-	-	-	**12,921.16**

For terms and conditions relating to trade receivables (refer note 26)
To comply with the requirement of Ind AS 109 - Financial Instruments, the Company has created total ECL of Rs. 8,677.88 million (31 March 2022: Rs. 1,033.00 million). As it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 7,644.88 million in compliance with the requirements of para 44 of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, has been adjusted to the retained earnings in the current financial year.

(All amounts in Indian Rupees million, unless otherwise stated)

6 (d) Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Cash on hand	8.54	8.12
Balances with banks:		
On current accounts	203.51	343.76
Deposits with original maturity of less than three months # (Refer footnote to note 6(f))	751.54	578.82
	963.59	**930.69**

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

6 (e) Other bank balances

	As at 31 March 2023	As at 31 March 2022
Deposits with remaining maturity for more than three months but less than twelve months #(Refer footnote to note 6(f))	914.95	1,084.36
	914.95	**1,084.36**

6 (f) Other financial assets (Non-Current)

	As at 31 March 2023	As at 31 March 2022
Security deposits		
- Considered good	39.83	35.80
- Considered doubtful	4.92	4.92
	44.75	**40.72**
Less: Provision for doubtful deposits	(4.92)	(4.92)
	39.83	**35.80**
Unsecured considered good unless otherwise stated		
Others receivables	39.33	19.33
Bank deposits with remaining maturity of more than twelve months #	65.36	31.38
Interest accrued on bank deposits	6.41	0.72
	150.93	**87.23**
# Includes margin money deposits under lien (refer note 6 (d), 6 (e) and 6 (f)):		
*- against letter of credit facility, bank guarantees and other margin	1,317.28	1,226.30
- against amount paid under protest (excluding interest accrued) (refer note 39 (B) (a)(ii))	300.00	300.00

6 (g) Other financial assets (current)

		As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated			
Security deposits	(A)	17.48	10.86
Interest accrued on bank deposits	(B)	174.85	155.77
Derivative asset	(C)	-	0.67
Others receivables			
- Considered good		17.35	1,099.15
- Considered doubtful*		2,841.90	-
		2,859.25	1,099.15
Less: Allowance for credit loss (ECL)		(2,841.90)	-
	(D)	**17.35**	**1,099.15**
Total (A + B + C + D)		**209.68**	**1,266.45**

(All amounts in Indian Rupees million, unless otherwise stated)

*To comply with the requirement of Ind AS 109 - Financial Instruments, the company has created ECL of Rs. 2,841.90 million. As it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 2,841.90 million in compliance with the requirements of para 44 of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, has been adjusted to the retained earnings.

7 **Inventories**
(Valued at lower of cost or net realisable value)

	As at 31 March 2023	As at 31 March 2022
Raw materials and components (refer note 1 & 2 below)	2,843.49	2,802.05
Finished goods (refer note 2 below)	1,242.80	1,067.20
Traded goods (refer note 2 below)	2,966.89	2,482.29
Spares (refer note 2 below)	308.05	477.05
	7,361.26	6,828.77
Note 1 including stock in transit		
- Raw materials and components	299.74	608.77
Note 2 The above inventory is net of :-		
a) Write down of inventory from cost to net realisable value		
Finished goods	23.68	25.82
Traded goods	0.02	1.12
Spares	4.13	9.90
b) Write down of inventory for Obsolescence		
Finished goods	13.69	13.38
Traded goods	0.81	0.80
Spares	132.43	145.45
Raw materials, components and semi-finished goods	2.04	2.04

8 (a) Other non-current assets

Unsecured, considered good, unless otherwise stated	As at 31 March 2023	As at 31 March 2022
Capital advances	22.91	94.54
Prepaid expenses	234.92	22.83
	257.83	117.37

8 (b) Other current assets

		As at 31 March 2023	As at 31 March 2022
Unsecured, considered good, unless otherwise stated			
Prepaid expenses	(A)	592.78	258.49
Balance with statutory/ government authorities (Refer note 30 (B) & 34)	(B)	898.23	935.85
Advances to vendors			
- Considered good		1,489.64	3,112.38
- Advances to related parties, considered good (refer note 29)		23.69	104.37
- Considered doubtful		9.76	14.89
		1,523.09	3,231.64
Less: Provision for doubtful advances		(9.76)	(14.89)
	(C)	1,513.33	3,216.75
Others	(D)	222.46	247.32
Total (A + B + C + D)		3,226.74	4,660.42

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(All amounts in Indian Rupees million, unless otherwise stated)

9 Equity Share capital and Instruments entirely equity in nature

	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
782,000,000 equity shares of Rs. 5 each (31 March 2022 : 782,000,000 equity shares of Rs. 5 each)	3,910.00	3,910.00
100,000 (31 March 2022 : 100,000) Compulsory Convertible Preference Shares (CCPS) of Rs 10 each	1.00	1.00
500,000 (31 March 2022 : 500,000) Compulsory Convertible Preference Shares (CCPS) of Rs 100 each	50.00	50.00
	3,961.00	**3,961.00**
Issued, subscribed and fully paid-up share capital		
541,126,216 equity shares of Rs. 5 each (31 March 2022 : 541,126,216 equity shares of Rs. 5 each)	2,705.63	2,705.63
100,000 (31 March 2022 : 100,000) Compulsory Convertible Preference Shares (CCPS) of Rs 10 each	1.00	1.00
324,172 (31 March 2022 : 324,172) Compulsory Convertible Preference Shares (CCPS) of Rs 100 each	32.42	32.42
Total issued, subscribed and fully paid-up share capital	**2,739.05**	**2,739.05**

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

(i) Equity shares

	Amount		No of Shares	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	2,705.63	1,248.87	541,126,216	124,866,593
Right Shares issued during the year [refer below (a) and (b)]	-	15.16	-	1,515,695
CCPS Conversion [refer below (d)]	-	15.29	-	1,528,834
Share Split (Rs 10 per share to 5 per share) [refer below (e)]	-	-	-	128,306,431
Bonus shares issued during the year [refer below (f)]	-	1,283.09	-	256,818,862
Issued during the year [refer below (g)]	-	139.44	-	27,888,092
Outstanding at the end of the year	**2,705.63**	**2,705.63**	**541,126,216**	**541,126,216**

a) Pursuant to approval of board of directors of the Holding Company in the meeting held on 18th May, 2021, 1,310,844 equity shares of Rs. 10 each were allotted on right shares basis at a premium of Rs. 123 per share.

b) Pursuant to approval of board of directors of the Holding Company in the meeting held on 5th June, 2021, 202,851 equity shares of Rs. 10 each were allotted on right shares basis at a premium of Rs. 123 per share.

c) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 28th June, 2021, the Holding Company increased the existing authorised share capital from Rs. 1,530,000,000 divided into (i) 142,000,000 equity shares of Rs. 10 each; (ii) 100,000 CCPS of Rs. 10 each; and (iii) 500,000 CCPS of Rs. 100 each to Rs. 3,961,000,000 divided into (i) 391,000,000 equity shares of Rs. 10 each; (ii) 100,000 CCPS of Rs. 10 each; and (iii) 500,000 CCPS of Rs. 100 each.

d) Pursuant to approval of board of directors of the Holding Company in the meeting held on 9th August, 2021, 175,818 CCPS were converted into 15,28,834 equity shares of Rs. 10 each at a premium of Rs. 1.5 per share.

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

f) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 30th September, 2021, the Holding Company issued and allotted fully paid-up "bonus shares" in the proportion of one new equity shares of Rs. 5 each for every one existing fully paid up equity share of Rs. 5 each held to the shareholders as on the record date of 08th September, 2021.

g) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 30th September, 2021, a total of 27,888,092 equity shares of face value of Rs. 5 each were created, offered, issued and allotted at a premium of Rs. 138.25 to Clipper Global S.A. for consideration other than cash on the preferential cash private placement basis.

(All amounts in Indian Rupees million, unless otherwise stated)

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

	Amount		No of Shares	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	33.42	51.00	424,172	600,000
Converted to equity and other equity	-	(17.58)	-	(175,828)
Outstanding at the end of the year	33.42	33.42	424,172	424,172

(b) Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs. 5 per share (31 March 2022: Rs. 5 per share). Each holder of equity shares is entitled to one vote per share and dividends in proportion to their shareholding. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive residual assets of the Holding Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms/ rights attached to Compulsory Convertible Preference Shares (CCPS)

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

Pursuant to approval of board of directors of the Holding Company in the meeting held on 9th Aug, 2021, 175,828 CCPS were converted into 1,528,834 Equity Shares of Rs. 10 each at the premium of Rs. 13 per Share.

ii. During financial year 2017-18, the Holding Company had issued 100,000 CCPS of Rs. 10 each for a consideration of Rs. 520.00 million. The CCPS shall carry a coupon of 0.0001% and shall be non-cumulative in nature, which is to be declared at the discretion of the shareholder of the Group. The preference shares may be converted into the equity shares at any time at the discretion of the CCPS holder, subject to the terms of the agreement. If any of the preference shares have not been converted to equity shares within 20 years from the allotment date, then such remaining preference shares shall be compulsorily converted into equity shares upon the expiry of such period.

In response of the exercise the option available, the Holding Company has to issue 33,64,832 equity shares against 1,00,000 CCPS

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

Particulars	No of Shares				
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Equity shares allotted during the year as fully paid bonus shares	-	256,018,462	-	-	-

(d) Details of shareholders holding more than 5% shares in the Holding Company:
Equity Shares of Rs. 5 each fully paid (31 March 2022 : Rs 5 each fully paid)

	No of Shares		Percentage shareholding	
	As at March 2023	As at 31 March 2022	As at March 2023	As at 31 March 2022
Hari Om Rai	140,078,364	180,279,500	25.99%	33.32%
Sunil Bhalla	98,275,203	113,363,488	18.18%	20.95%
Vishal Sehgal	83,244,123	88,417,608	15.54%	16.34%
Vaak Investments	60,093,340	-	11.22%	0.00%
Shailendra Nath Rai	40,518,390	43,384,172	7.56%	8.02%
Shilpa Sehgal	29,945,880	29,945,880	5.59%	5.53%
Clipper Global S.A.	12,538,492	27,888,462	2.34%	5.16%

(All amounts in Indian Rupees million, unless otherwise stated)

Instruments entirely equity in nature – Compulsorily Convertible Preference Shares (CCPS)

Name of Shareholders	No of Shares As at 31 March 2023	No of Shares As at 31 March 2022	Percentage shareholding As at 31 March 2023	Percentage shareholding As at 31 March 2022
UHC Memory Technology (Hong Kong) Limited Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each	124,172	124,172	100%	100%
Sunset Colemen and Company Limited Compulsorily Convertible Preference Shares (CCPS) of Rs. 10/- each	100,000	100,000	100%	100%

(e) Shareholding of promoters

Equity Share held by promoters as of 31st March 2023

Promoters Name	No of Shares	% of total shares	% Change during the year
Hari Om Rai	145,658,308	27.95%	-7.37%
Sunil Bhatia	98,578,083	18.18%	-2.87%
Vishal Sehgal	73,248,121	13.54%	-2.80%
Shailendra Hari Rai	40,014,798	7.56%	-1.12%
Total	355,099,420	65.27%	

Equity Share held by promoters as of 31st March 2022

Promoters Name	No of Shares	% of total shares	% Change during the year
Hari Om Rai	180,258,980	33.33%	-2.70%
Sunil Bhatia	113,561,488	20.99%	-1.55%
Vishal Sehgal	88,613,408	16.34%	-1.30%
Shailendra Hari Rai	46,904,732	8.68%	-0.72%
Total	429,298,568	79.34%	

(f) Shares reserved for issue under options :
For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 33

18 Financial liabilities

18 (a) Borrowings (non-current)

	As at 31 March 2023	As at 31 March 2022
Secured (refer note 1 below)		
Non-Convertible Debentures	-	250.00
Term loan from banks	2.86	1.54
Term loan from other parties	226.96	273.25
	229.82	524.79
Current maturities of non-current borrowings [refer note 18(b)]	401.23	92.56

Note 1 Security disclosure for the outstanding current borrowings are as follows:

(i) Non-Convertible Debentures (NCDs) had been issued during the previous year amounting to Rs. 250 million. The amount outstanding against the said loan is Rs. 250.00 million (31 March 2022: Rs. 250.00 million) which carries interest @ 12.45% p.a and is repaid on 27th September 2023. The loan is secured by first and exclusive charge by pledge of certain shares of the Holding Company held by the promoters. Further, the loan has been personally guaranteed by certain directors of the Holding Company.

(ii) Car loan has been obtained from HDFC bank amounting to Rs. 2.22 million during the previous year and the amount outstanding against the said loan is Rs. 1.57 million (31 March 2022: Rs. 1.96 million) which carries interest @ 7.50% p.a. and repayable in 60 equal monthly instalments starting from 07th May 2021. The loan is scheduled to be repaid by 07th April 2026. The loan is secured against the vehicle funded out of aforesaid loan.

(iii) Car loan has been obtained from HDFC bank amounting to Rs. 2.33 million and the amount outstanding against the said loan is Rs. 2.24 million (31 March 2022: Nil) which carries interest @ 7.20% p.a. and repayable in 60 equal monthly instalments starting from 07th August 2022. The loan is scheduled to be repaid by 07th July 2027. The loan is secured against the vehicle funded out of aforesaid loan.

(All amounts in Indian Rupees million, unless otherwise stated)

(iv) Term loan from Bajaj Finance Ltd. had been obtained amounting to Rs. 250 million during the previous year and the amount outstanding against the said loan is Rs. 267.40 million (31 March 2022: Rs. 250 million) which carries interest @ 11.00% p.a. (31 March 2022: 8.75% p.a.) and repayable in 13 equal monthly instalments starting from 05th April 2022 to 05th June 2024. The loan is secured by exclusive charge over plant and machinery funded under the term loan with minimum Fixed Asset Coverage Ratio (FACR) of 1.33x and second pari-passu charge on overall current assets (current and future) of the Holding Company. Further, the loan has been personally guaranteed by certain directors of the Holding Company.

(v) Term loan from Oxyzo Financial Services Private Ltd. had been obtained during the previous year amounting to Rs. 20 million and the amount outstanding against the said loan is Rs. 5.46 million (31 March 2022: 15.59 million) which carries interest @ 12.25% p.a. and repayable in 24 equal monthly instalments. The loan is repaid by 05 September 2023. The loan was secured by personal guarantee by director of the Holding Company.

(vi) Term loan from Tata Capital Financial Services Ltd. has been obtained amounting to Rs. 125 million and the amount outstanding against the said loan is Rs. 103.50 million (31 March 2022: Nil) which carries interest @ 11.10% p.a. and repayable in 24 equal monthly instalments. The loan is scheduled to be repaid by 15 November 2024. The loan is secured by guarantee equivalent to the 20% of the facility amount and personal guarantee by certain directors of the Holding Company.

Note (i): Satisfaction of charges

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

10 (b) Borrowings (current)

	As at 31 March 2023	As at 31 March 2022
Secured		
Cash credit / overdraft facility from banks (repayable on demand)*	743.82	690.59
Buyer's credit*	110.03	245.48
Working capital demand loan**	511.00	370.00
Current maturities of non current borrowings (refer note 10(a))	401.23	97.56
	1,819.08	1,401.23
Unsecured		
Short term loan***	1,013.50	1,008.04
	2,832.58	2,409.27

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

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

(2) by way of a second charge on pari-passu basis, of such existing and future movable fixed assets of the borrower such machineries/ other assets which are created by way of term loans from other banks and financial institutions. The cash credit is repayable on demand and carries interest @ 10.30% p.a. to 13.55% p.a. (31 March 2022: 10.55% p.a. to 12.10% p.a.). Buyer's credit carries interest @ SOFR +0.50% p.a. to SOFR +1% p.a.

**Secured by way of personal guarantee of promoters of the Holding company. This facility is repayable on demand and carries interest ranging from 8.85% p.a. to 9.20% p.a. (31st March 2022: 7.50% p.a.). Working capital demand loan of Rs. 125 million is secured by way of guarantee equivalent to the 20% of the facility amount and personal guarantee by certain directors of the Holding Company and repayable on demand and carries interest @ 11.10% p.a.

***Ciber Jord Centro America, S.A and its subsidiaries has a commercial loan of Rs. 358.73 million with annual interest rate of 7.35% with maturity at 180 days, commercial loan of Rs. 369.83 with maturity on 2nd August 2023 with annual interest rate of 6.25%, commercial loan, three promissory notes for Rs. 106.84 million with annual interest rate of 8% and 9% and maturity date on 31st March 2023, commercial loan of Rs. 203.49 million with annual interest rate of 7.25%, commercial loan of Rs. 2.63 million for labor capital, monthly payment (principal & interest) interest rate of 1.52%.

Note (i): In respect of working capital loans, quarterly returns or statements of current assets filed by the Holding Company with banks are in agreement with the books of accounts.

10 (c) Trade payables

	As at 31 March 2023	As at 31 March 2022
Micro and Small Enterprises (refer note 32)	332.17	241.50
Other than Micro and Small Enterprises	5,530.74	4,915.86
Payable to related parties (refer note 29)	-	0.12
	5,862.91	5,157.48

(All amounts in Indian Rupees million, unless otherwise stated)

Ageing of trade payables : -

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023					
Outstanding dues to micro and small enterprises	122.17	-	-	-	122.17
Others	4,562.04	356.76	173.40	334.21	5,426.77
Disputed - dues to micro and small enterprises	-	-	-	-	-
Disputed - Others	-	-	-	-	-
Total trade payables	4,684.21	356.76	173.40	334.21	5,548.58
Provision for expenses					313.97
Net trade payables					5,862.55

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022					
Outstanding dues to micro and small enterprises	241.49	0.41	-	-	241.90
Others	3,794.92	265.89	241.64	35.37	4,337.82
Disputed - dues to micro and small enterprises	7.63	-	1.11	0.04	8.78
Disputed - Others	-	-	-	-	-
Total trade payables	4,044.04	266.30	242.75	35.41	4,588.50
Provision for expenses					468.11
Net trade payables					5,157.61

10 (d) Lease liabilities (non-current)

	As at 31 March 2023	As at 31 March 2022
Lease Liabilities (refer note 36)	109.47	132.66
	109.47	132.66

10 (e) Lease liabilities (current)

	As at 31 March 2023	As at 31 March 2022
Lease Liabilities (refer note 36)	38.40	30.16
	38.40	30.16

10 (f) Other financial liabilities (current)

	As at 31 March 2023	As at 31 March 2022
Payable for capital purchases	1.27	1.12
Security deposits	1,460.52	1,271.36
Inter company deposits	-	30.00
Interest accrued on borrowings	4.88	43.01
Derivative liability	8.29	-
Employee payables	45.88	47.11
	1,512.84	1,392.60

11 (a) Provisions (non-current)

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (refer note 37)	87.28	54.65
Other provisions		
Provision for decommissioning liabilities #	2.06	2.06
	89.34	56.71

(All amounts in Indian Rupees million, unless otherwise stated)

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

Provision for decommissioning liabilities	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	2.06	5.02
Less: reversal during the year	-	(2.96)
At the end of the year	**2.06**	**2.06**

11 (ii) Provisions (current)

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity (refer note 27)	22.67	21.49
Provision for compensated absences	23.58	24.30
	46.25	45.79
Other provisions		
Provision for warranties*	87.53	101.56
	87.53	**101.56**
	133.78	147.35

*The Holding Company provides warranty on it's products by giving an undertaking to repair/replace items to the customers, which fails to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligations of repair/replacement. The timing of the outflows is expected to be in next 12 months (31 March 2022 : 12 months).

Provision for warranties	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	101.56	205.36
Arising during the year	649.78	886.81
Less : Utilized/reversed during the year	(663.81)	(990.61)
At the end of the year	**87.53**	**101.56**

12 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advance from customers	282.62	541.29
Tax deductible at source	31.34	24.59
Other statutory liabilities	19.06	76.83
	333.02	642.71

13 Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Provision for income tax*	418.87	368.37
	418.87	368.37

*Net of advance tax and TDS receivable amounting to Rs. 3,774.19 million (31 March 2022: Rs. 3,464.47 million)

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(All amounts in Indian Rupees million, unless otherwise stated)

14 Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	53,907.22	58,639.71
Sale of services	475.87	129.38
Other operating revenue		
- Scrap sale	4.97	2.84
- Export incentives	3.03	4.55
	54,435.93	58,776.48

15 Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on financial asset at amortised cost	1.41	1.37
Interest income on fixed deposits with banks	73.49	70.05
Interest income on others	0.16	5.14
Net gain on sale of mutual fund investments	0.51	0.35
Fair value gain on derivative financial instruments at fair value through profit or loss	-	5.82
Profit on sale of property, plant and equipment	1.98	-
	176.72	90.56
Miscellaneous income	19.59	30.59
	273.87	203.68

16 Cost of raw material and components consumed

	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory materials at the beginning of the year	2,802.09	1,449.83
Purchase during the year	16,955.15	12,826.04
Less: Inventory materials at the end of the year	(2,843.49)	(2,802.09)
	16,913.75	11,473.78

17 Changes in inventories of finished goods, spares and stock in trade

	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the end of the year		
Traded goods	2,966.59	2,482.28
Spares for furniture	308.02	477.65
Finished goods	1,242.80	1,066.79
	4,517.71	4,026.72
Inventories at the beginning of the year		
Traded goods	2,482.28	1,277.32
Spares for furniture	477.65	789.05
Finished goods	1,066.79	922.46
	4,026.72	2,988.83
	(490.99)	(1,037.89)

(All amounts in Indian Rupees million, unless otherwise stated)

18 Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary, wages and bonus (refer note 29)	1,733.68	1,696.23
Contribution to provident and other fund (refer note 27)	57.27	59.96
Gratuity expense (refer note 27)	18.90	16.48
Share based payment expense (refer note 31)	16.83	126.69
Staff welfare, recruitment and training	273.66	232.37
	2,106.34	2,131.73

19 Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Power and fuel	46.09	39.47
Rent	52.36	56.19
Rates and taxes	12.53	8.94
Insurance	14.34	19.40
Repair and maintenance - others	92.27	70.46
Advertisement and marketing expenses	2,018.34	1,782.73
Sales promotion, scheme expenses and expected credit Loss provision [refer note 6(c) for ECL]	803.32	771.37
Freight and cartage	364.99	466.32
Outsourced salary cost	70.65	22.88
Travelling and conveyance	102.68	68.98
Communication costs	8.11	7.94
Warranty expenses	649.78	888.81
Legal and professional fees	164.87	149.83
Payment to auditor (refer details below)*	2.50	7.26
Donation	1.18	0.06
Corporate social responsibility expense (refer note 33)	10.03	8.10
Loss on sale of property, plant and equipment	-	0.08
Fair value loss on derivative financial instrument at fair value through profit or loss	1.96	-
Loss on investment at fair value through profit or loss	-	0.07
Miscellaneous expenses	45.37	36.36
	4,446.51	4,288.49

Payment to auditor *

	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
Audit fee	2.50	3.66
Tax audit fee	-	0.37
Reimbursement of expenses	-	0.18
Other services	-	3.05
	2.50	7.26

(All amounts in Indian Rupees million, unless otherwise stated)

20 Depreciation and amortisation expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation expense		
- on Property, plant and equipment	1,243.20	869.30
- on ROU asset	32.31	31.50
Amortisation expense on intangible assets	124.83	66.34
	1,400.34	967.14

21 Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on		
-Term loan	137.20	73.28
-Cash credit	210.90	183.86
-Lease liabilities (refer note 36)	18.68	20.78
-Security deposits	8.41	4.33
-Income tax	30.17	42.91
Bank charges	132.96	116.01
	538.32	441.17

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(All amounts in Indian Rupees million, unless otherwise stated)

22 Income tax expense

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current income tax:		
Current income tax charge	119.60	205.11
Adjustments in respect of income tax of previous year	(16.38)	(16.21)
Deferred tax :		
Relating to origination and reversal of temporary differences	5.09	(26.47)
Total tax expense on profit of the year (a)	**108.31**	**162.45**
Other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during in the year:		
- Remeasurement losses of defined benefit plan	(1.71)	(0.02)
- Change in fair value of FVOCI equity instruments	-	-
Total tax expense on other comprehensive income of the year (b)	**(1.71)**	**(0.02)**
Total tax expense on total comprehensive income of the year (a) + (b)	**106.60**	**162.43**

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	988.06	2,031.11
Applicable tax rate	25.17%	25.17%
Expected tax expense (A)	**248.69**	**511.23**
Tax adjustment:		
Expenses not considered in determining taxable profit	25.86	(2.98)
Income not considered in determining taxable profit	(3.77)	(16.21)
Income exempt from tax	(161.24)	(375.68)
Impact of change in tax rates	-	-
Tax pertaining to earlier years	(16.38)	10.41
Tax losses for which no deferred tax asset was recognised	0.27	(0.16)
Others	16.81	33.42
Total adjustments (B)	**(140.60)**	**(351.22)**
Actual tax expense (C= A+B)	**108.09**	**160.01**
Tax expense recognised in statement of profit and loss	**108.31**	**162.45**
Effective Tax Rate	**10.96%**	**8.00%**

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(All amounts in Indian Rupees millions, unless otherwise stated)

(c) Deferred tax assets (net)

Deferred tax relates to the following:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax assets on account of:		
Property, plant and equipment	(93.99)	(82.67)
Employee benefits and other payable	(26.06)	(25.23)
Allowance for credit loss (ECL) & provision for doubtful Advances	(271.74)	(274.43)
Provision for obsolescence inventories	(10.80)	(14.00)
Others	1.88	-
Deferred tax related to other comprehensive income of the year:		
Remeasurement losses of defined benefit plan	3.36	5.79
Change in fair value of FVTOCI equity instruments	(2.31)	(2.31)
Deferred tax liability/ (asset) on account of:		
Tax to be paid on custom duty receivable in future years (refer note 34)	89.45	79.38
Fair valuation of investment	-	-
Net deferred tax liability/ (asset) including other comprehensive income of the year	**(310.23)**	**(313.49)**

Movement in deferred tax for the year ended 31 March 2023

	As at 31 March 2022	Recognized in other comprehensive income	Recognized in profit and loss	Recognized in Retained Earnings	As at 31 March 2023
Deferred tax assets on account of:					
Property, plant and equipment	(82.67)	-	(11.32)	-	(93.99)
Employee benefits and other payable	(25.23)	-	(0.83)	-	(26.06)
Allowance for credit loss (ECL) & provision for doubtful Advances, (refer note 8(i))	(274.43)	-	2.69	-	(271.74)
Provision for obsolescence inventories	(14.00)	-	3.20	-	(10.80)
Other	-	-	1.88	-	1.88
Deferred tax related to other comprehensive		-		-	
Re-measurement losses of defined benefit plan	5.79	(2.43)	-	-	3.36
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	-	(2.31)
Deferred tax liability on account of:					
Tax to be paid on custom duty receivable in future years (refer note 34)	79.38	-	10.07	-	89.45
Fair valuation of investments	-	-	-	-	-
Total	**(313.49)**	**(2.43)**	**5.69**	**-**	**(310.23)**

(All amounts in Indian Rupees million, unless otherwise stated)

Movement in deferred tax for the year ended 31 March 2022

	As at 31 March 2021	Recognised in other comprehensive Income	Recognised in profit and loss	Recognised in Retained Earnings	As at 31 March 2022
Deferred tax assets on account of:					
Property, plant and equipment	(82.03)	-	(0.64)	-	(82.67)
Employee benefits and other payable	(33.56)	-	(1.67)	-	(35.23)
Allowance for credit loss (ECL) & provision for doubtful Advances	(209.92)	-	(64.52)		(274.43)
Provision for obsolescence inventories	(14.00)	-	0.00	-	(14.00)
Others	-	-	-	-	-
Deferred tax related to other comprehensive income of the year:					
Re-measurement losses of defined benefit plan	5.77	0.02	-	-	5.79
Change in fair value of FVTOCI equity instruments	(2.31)	-	-	-	(2.31)
Deferred tax liability on account of:					
Tax to be paid on custom duty realisable in future years (refer note 34)	98.58	-	(19.20)	-	79.38
Fair valuation of investment	0.36	-	(0.36)	-	-
Total	(225.11)	0.02	(86.40)	-	(311.49)

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(All amounts in Indian Rupees million, unless otherwise stated)

25 Earnings per share (EPS)

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Nominal value of equity shares	1	5
Profit attributable to owners of Holding Company for computing basic and dilutive EPS (A)	883.44	1,869.19
Weighted average number of equity shares for calculating basic EPS		
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)*	541,126,216	527,934,641
Dilutive effect of share based payments on weighted average number of equity shares outstanding during the year	30,955,614	30,882,097
Dilutive effect of compulsory convertible preference shares on weighted average number of equity shares outstanding during the year	16,643,640	16,643,640
Weighted average number of equity shares outstanding during the year for computing Diluted EPS (C)*	588,725,470	575,460,378
Basic earning per share (A/B)	**1.63**	**3.54**
Diluted earning per share (A/C)	**1.50**	**3.25**

During the current financial year, 1,201,873 number of options issued for share based payment were excluded from the calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

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(All amounts in Indian Rupees million, unless otherwise stated)

34 Fair value measurement

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

	Notes	31 March 2023			31 March 2022		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Assets							
Non-current assets							
Financial assets							
Investments	6 (a)	-	987.31	-	-	695.15	-
Other financial assets	6 (f)	-	-	130.93	-	-	87.23
		-	987.31	130.93	-	695.15	87.23
Current assets							
Financial assets							
Investments	6 (b)	28.73	-	-	-	-	-
Trade receivables	6 (c)	-	-	7,331.88	-	-	12,921.16
Cash and cash equivalents	6 (d)	-	-	962.59	-	-	930.69
Other bank balances	6 (e)	-	-	914.95	-	-	1,084.36
Derivative asset	6 (g)	-	-	-	0.67	-	-
Others financial assets	6 (g)	-	-	299.68	-	-	1,265.78
		28.73	-	8,470.18	0.67	-	16,201.99
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	10 (a)	-	-	229.82	-	-	524.79
Lease liabilities	10 (d)	-	-	109.47	-	-	132.44
		-	-	339.29	-	-	657.23
Current liabilities							
Financial liabilities							
Borrowings	10 (b)	-	-	2,826.58	-	-	2,690.17
Lease liabilities	10 (d)			38.40			30.16
Trade payables	10 (c), 22	-	-	5,862.91	-	-	5,157.61
Derivative liability	10 (f)	1.29	-	-	-	-	-
Other financial liabilities	10 (f)	-	-	1,511.55	-	-	1,392.80
		1.29	-	10,341.44	-	-	9,279.94

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

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

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

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(All amounts in Indian Rupees million, unless otherwise stated)

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

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

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

At 31 March 2023	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at FVTPL				
Investment in mutual funds	28.73	-	-	**28.73**
Assets measured at FVTPL				
Derivative liability	-	1.29	-	**1.29**
Assets measured at FVTOCI				
Investment in equity instruments	-	-	987.31	**987.31**

At 31 March 2022	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at FVTPL				
Investment in mutual funds	-	-	-	-
Assets measured at FVTPL				
Derivative asset	-	0.67	-	**0.67**
Assets measured at FVTOCI				
Investment in equity instruments*	-	-	895.13	**895.13**

* Investment in Airbeyo Pte. Ltd. has been valued at zero value i.e. at fair value and it has been shown in other reserve amounting to Rs 7.89 million in Reserve and surplus.

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

Valuation techniques used to derive Level 1 fair values
The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Valuation techniques used to derive Level 2 fair values
Derivative asset/ liability representing forward foreign exchange contracts have been fair valued using dealer/counter party quotes at balance sheet date.

Valuation techniques used to derive Level 3 fair values
Inputs for the assets or liabilities that are not based on observable market data. A reasonable possible change in the unobservable inputs used in fair valuation of Level 3 assets doesn't have a significant impact in its value.

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(All amounts in Indian Rupees million, unless otherwise stated)

25 Capital management

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

Particulars	31 March 2023	31 March 2022
Borrowings	3,058.40	3,224.16
Less: Cash and cash equivalents	(963.59)	(924.69)
Net debt (a)	**2,094.81**	**2,299.47**
Equity	14,065.71	22,906.64
Total capital (b)	**14,065.71**	**22,906.64**
Capital and net debt (a) + (b) = (c)	**16,160.52**	**25,206.10**
Gearing ratio (%) (a) / (c)	12.96%	9.12%

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(All amounts in Indian Rupees million, unless otherwise stated)

26 Financial risk management objectives and policies

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

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

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

Price risk

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

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

Particulars	31 March 2023	31 March 2022
Effect on profit before tax:		
NAV increase by 100 bps	5.29	-
NAV decrease by 100 bps	(5.29)	-

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed, floating rate borrowings.

The following table provides a breakdown of the Group's fixed and floating rate borrowings:

Particulars	31 March 2023	31 March 2022
Fixed rate borrowings	259.23	621.67
Floating rate borrowings	2,799.17	2,602.49
Total	**3,058.40**	**3,224.16**

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

Particulars	31 March 2023	31 March 2022
Effect on profit before tax:		
Interest rates- decrease by 50 bps	14.00	13.01
Interest rates- increase by 50 bps	(14.00)	(13.01)

Credit risk

The Group is also exposed to credit risk from trade receivables, term deposits, liquid investments and other financial instruments.

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

(All amounts in Indian Rupees million, unless otherwise stated)

The management regularly follows up to recover the outstanding amount and evaluates recoveries at the end of every reporting period. To comply with the requirement of Ind AS 109 - Financial Instruments, the company has created total expected credit loss (ECL) as on 31 March 2023 of Rs. 8,677.88 million (31 March 2022: Rs. 1,033.00 million). As it was impracticable to ascertain the ECL for each of respective earlier financial year, therefore, Rs. 7,644.88 million in compliance with the requirements of para 41 of Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, has been adjusted in the retained earnings.

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

Ageing based on original credit terms but after allowance for credit loss as follows:

Particulars	31 March 2023	31 March 2022
0-180 days	6,372.95	7,345.65
180-365 days	1,008.93	92.56
1 year plus	0.00	5,492.95
Total	**7,381.88**	**12,931.16**

The Group has provisions of Rs. 31.99 million (31 March 2022 : Rs. 42.50 million) for doubtful debts. None of these trade debtors past due or impaired have had their terms renegotiated. The maximum exposure to credit risk at the reporting date is the fair value of. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Liquidity risk

The Group monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.
The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Group also monitors compliance with its debt covenants. The maturity profile of the Group's financial liabilities based on contractual undiscounted payments is given in the table below:

	<1yr	1-5 yrs	>5 yrs	Total
As at 31 March 2023				
Borrowings (including interest accrued)	2,834.66	229.82	-	3,064.48
Lease liabilities	38.40	109.47	-	147.87
Trade payables	5,862.91	-	-	5,862.91
Other financial liability	1,506.76	-	-	1,506.76
Total	**10,242.73**	**339.29**	-	**10,582.02**
As at 31 March 2022				
Borrowings (including interest accrued)	3,742.58	524.79	-	4,267.37
Lease liabilities	30.16	132.43	-	162.59
Trade payables	4,157.61	-	-	4,157.61
Other financial liability	1,349.59	-	-	1,349.59
Total	**9,279.94**	**657.22**	-	**9,937.17**

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(All amounts in Indian Rupees millions unless otherwise stated)

27 Post-employment benefits plan

Defined Contribution Plan

The Holding Company has recognised Rs. 53.21 millions (31 March 2022 : Rs. 59.50 millions) related to employer's contribution to provident fund and employees' state insurance fund as an expense in the statement of profit and loss.

Defined Benefit Plan

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

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss for gratuity plan and amount recognised in the balance sheet in respect of same.

Statement of profit and loss :

Net employee benefit expense recognized in the employee cost

	31 March 2023	31 March 2022
Current service cost	13.68	12.35
Interest cost on benefit obligation	5.22	4.14
Net benefit expense	**18.90**	**16.49**

Balance sheet :

Benefit asset/liability

	31 March 2023	31 March 2022
Present value of defined benefit obligation	(82.95)	(75.88)
Net asset/(liability) recognised in balance sheet	**(82.95)**	**(75.88)**

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

	31 March 2023	31 March 2022
Opening defined benefit obligation	75.88	64.87
Current service cost	13.68	12.35
Interest cost	5.22	4.14
Total amount recognised in profit & loss	18.90	16.49
Remeasurement (gains)/losses of defined benefit plan		
- Due to changes in financial assumptions	(2.96)	(3.87)
- Due to experience adjustment	1.25	3.94
Total amount recognised in other comprehensive income	(1.71)	0.07
Benefits paid	(10.12)	(5.55)
Closing defined benefit obligation	**82.95**	**75.88**

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

	31 March 2023	31 March 2022
Discount rate	7.10%	5.50%
Employee turnover	30.00%	30.00%
Salary Escalation Rate	7.00%	7.00%
Mortality Rates	IALM (2012-14) Ult.	IALM (2012-14) Ult.

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

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.75 years (31 March 2022: 4.28 years).

(All amounts in Indian Rupees million, unless otherwise stated)

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

Particulars	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Gratuity					
Defined benefit obligation	82.95	75.98	66.07	56.20	54.45
Experience adjustments on liabilities gain / (loss)	(1.25)	(0.83)	(0.55)	4.38	(8.86)

Sensitivity Analysis:

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

	31 March 2023	31 March 2022
Projected benefit obligation on current assumptions	82.95	75.93
Delta effect of +1 % change in discount rate	(2.16)	(2.10)
Delta effect of -1 % change in discount rate	2.30	2.24
Delta effect of +1 % change in salary escalation rate	2.31	2.49
Delta effect of -1 % Change in salary escalation rate	(2.40)	(2.39)
Delta effect of +10 % change in rate of employee turnover	(0.80)	(1.08)
Delta effect of -10 % change in rate of employee turnover	0.85	1.18

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(All amounts in Indian Rupees millions, unless otherwise stated)

Foreign currency risk

The Group is exposed to foreign currency in the normal course of business. The Group has transactional currency exposures arising from sales or purchases by an operating unit in currencies other than the unit's functional currency. Accordingly, the Group's financial state of affairs can be affected significantly by movements in the US dollar & other currencies exchange rates. The Group enters into derivative transactions, primarily in the nature of forward foreign exchange contracts on import payables. The purpose is to manage currency risks arising from the Group's operations.

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

Particulars	31 March 2023		31 March 2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollar (USD)	111.80	72.10	99.83	69.78
Hong Kong dollar (HKD)	36.69	1.00	34.14	1.13
AED	44.40	0.50	85.12	17.46
Others	5.78	0.86	0.37	0.05

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

Particulars	31 March 2023	31 March 2022
Effect of 10% strengthening of INR against following on profit before tax:		
USD	(3.97)	(3.00)
HKD	(3.57)	(3.30)
AED	(4.39)	(6.77)
Others	(0.52)	(0.03)
Effect of 10% weakening of INR against following on profit before tax:		
USD	3.97	3.00
HKD	3.57	3.30
AED	4.39	6.77
Others	0.52	0.03

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

Particulars	31 March 2023	31 March 2022
Amount in INR	843.51	902.45

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(All amounts in Indian Rupees million, unless otherwise stated)

28 Segment information

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

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

Geographical information:
The following table presents geographical information regarding the Group's revenue as defined in Ind AS 108 :

Particulars	**For the year ended 31 Mar 2023**	**For the year ended 31 March 2022**
India	21,641.90	17,060.87
UAE	23,634.12	28,821.36
Hong Kong	7,545.37	9,476.86
Others	1,614.60	3,416.96
Total	**54,435.99**	**58,776.45**

The following table presents geographical information regarding the Group's non current assets as defined in Ind AS 108 :

Particulars	**For the year ended 31 Mar 2023**	**For the year ended 31 March 2022**
India	1,159.92	1,063.29
Hong Kong	0.00	346.28
Others	2,583.75	3,734.31
Total	**3,743.67**	**5,143.88**

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(All amounts in Indian Rupees million, unless otherwise stated)

29 Related parties disclosures

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

Names of related parties and related party relationship #

Sr.No.	Related Party	Country of Incorporation	Nature of Relationship	
			For the year ended 31 Mar 2023	For the year ended 31 March 2022
1	MagicTel Solutions Private Limited	India	Associate	Associate
2	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	Joint venture	Joint venture
3	Air express worldwide Logistics (Partnership Firm)	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
4	Ozzmate International Private Limited	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
5	Saje Infotel Private Limited	India	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives

With whom transactions have taken place during the current or previous year.

Key Management Personnel :

Mr. Hari Om Rai - Chairman & Managing director (upto 28th February 2024)
Mr. Shailendra Nath Rai - Whole time director
Mr. Vishal Sehgal - Non Executive director
Mr. Sunil Bhalla - Non Executive director
Mr. Vinod Rai -Independent director (upto 22nd August 2023)
Mrs. China Ouzl Lal - Independent director (upto 22nd August 2023)
Mr. Rahul Kumar - Independent director (upto 22nd August 2023)
Mr. Ashutosh Bose - Chief Financial Officer (upto 18th July 2022)
Mr. Vinod Sharma -Independent director (w.e.f 23rd August 2023 to 19th march 2024)
Mr. Bharat Mishra - Company Secretary (upto 31st December 2021)
Mr. Jitendra Kumar - Independent director (w.e.f 01st September 2023 to 30th December 2023)
Mr. Naveen Kumar - Company Secretary (w.e.f 12th January 2022 to 31st August 2023)
Mr. Sunil Raina - President & Business Head (w.e.f 18th May 2020)
Mr. Sanjeev Agarwal - Chief Manufacturing Officer (w.e.f 18th May 2021)
Mr. Magdh Ram - Senior Vice President - Head Marketing (w.e.f 18th May 2021 to 29th September 2023)
Mr. Saurabh Raghuvanshi - Vice President - Sales & Supply Chain (w.e.f 18th May 2021)
Mr. Hiren Girishbhai Raval - Chief Financial Officer (w.e.f. 18th July 2022 to 3rd December 2022)
Mr. Ashutosh Bose - Chief Financial Officer (w.e.f. 3rd December 2022)
Ms. Preeti - Company Secretary (w.e.f. 04th September 2023)
Mr. Sunil Raina - Whole Time Director (w.e.f. 06th November 2023 to 30th December 2023)
Mr. Sanjeev Agarwal - Whole Time Director (w.e.f 01st February 2024)
Mr. Sunil Raina - Whole Time Director (w.e.f. 28th February 2024)
Mr. Anupam Shrivastava-Independent director (w.e.f from 26th March 2024)
Mr. Ajay Kumar Singh- Independent director (w.e.f from 04th April 2024)

(All amounts in Indian Rupees million, unless otherwise stated)

Nature of transaction	Joint Venture	
	2022-23	2021-22
A. Transactions during the year		
Expenses incurred on behalf of related parties		
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	-	0.07
Advance to related party		
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	0.10	-
B. Amount due to / from related parties		
Advance to vendor		
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	0.21	0.11
Other Payable		
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	0.53	0.53
Other Receivables		
Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	10.23	10.23

Nature of transaction	Enterprises owned or significantly influenced by key management personnel or their relatives	
	2022-23	2021-22
A. Transactions during the year		
Equity Shares issued to related parties		
Sojo Infotel Pvt Limited	-	1,020
Sales to related parties		
Ottoman International Private Limited	3.01	-
Services Taken		
Am Express Worldwide Logistics	0.98	0.07
Expenses incurred on behalf of related parties		
Sojo Infotel Pvt Limited	-	0.05
Payment made to related parties		
Am Express Worldwide Logistics	1.10	-
Amount received from related parties		
Ottoman International Private Limited	3.00	-
Advance Given		
Sojo Infotel Pvt Limited	-	95.51
Amount received from related parties		
Sojo Infotel Pvt Limited	95.60	3.07

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(All amounts in Indian Rupees million, unless otherwise stated)

Nature of transaction	Enterprises owned or significantly influenced by key management personnel or their relatives	
	31 March 2023	31 March 2022
B. Amount due to / from related parties		
Other receivables		
Saja Infotel Pvt Limited	0.04	0.04
Trade Payables		
Air Express worldwide Logistics	-	0.12
Trade receivable		
Ohmmo International Private Limited	1.69	0.69
Advance to Vendor		
Saja Infotel Pvt Limited	-	93.60

Nature of transaction	Remuneration of Key Management Personnel	
	31 March 2023	**31 March 2022**
Short-term employee benefits	42.34	45.25
Post-employment benefits	4.63	4.47

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and their settlement occurs in cash. For the year ended 31 March 2023 and year ended 31 March 2022, the Holding Company has not recorded any impairment of receivables relating to amounts owed by related parties.

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(All amounts in Indian Rupees million, unless otherwise stated)

30. Commitments and contingencies

(A) Capital and other commitments

Particulars	31 March 2023	31 March 2022
Estimated amount of contracts to be executed on capital account [net of capital advances amounting to Rs. Nil (31 March 2022: Rs. 15.15 million) and not provided for] (refer note 5(a))	0.00	64.22

(B) Contingent liabilities

Particulars	31 March 2023	31 March 2022
Bank guarantees	672.28	727.27
Sales tax and custom matters [refer note (a)] (amount paid under protest Rs. 158.43 million) (31 March 2022: Rs. 156.65 million)	448.17	451.69
Goods and service tax matters [refer note (b)] (amount paid under protest Rs. 45 million) (31 March 2022: Rs. Nil million)	944.54	8.70
Income tax matters (amount paid under protest Rs. 6.05 million) (31 March 2022: Rs. 3.85 million)	96.41	93.95
	2,161.37	1,281.61

(a) **Sales tax and custom**

(i) The Hon'ble Supreme Court of India vide its order dated 17 December 2014 in the case of State of Punjab Vs. Nokia India Pvt Limited, has held that the mobile charger contained in the mobile phone retail pack is an independent part and shall be separately charged to VAT at the rate as applicable to the chargers. The appellant has already approached the Hon'ble Supreme Court in a review petition challenging the judgment. In view of this judgment, the VAT Authorities of various states have raised demands along with interest and penalties aggregating to Rs. 110.66 million (31 March 2022: Rs. 115.46 million). The Holding company has filed appeal against these demands. Amount paid under protest against demands amounting to Rs. 39.73 million (31 March 2022: Rs. 46.50 million) have been disclosed under balance with statutory/government authorities in other assets.

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

(ii) Sales tax demands received of Rs 30.70 million (31 March 2022: Rs. 28.82 million) (amount paid under protest of Rs. 4.19 million (31 March 2022: Rs. 7.66 million)) (out of which Rs. 1.56 million (31 March 2022: Rs. 3.45 million) is pending for refund from department as the cases had been disposed off in favour of the company) from various sales tax authorities for which the management believes that the possibility of materializing the demand is remote.

(iii) Sales tax demands received of Rs 282.78 million (31 March 2022: Rs. 283.79 million) (amount paid under protest of Rs. 78.93 million (31 March 2022: 78.93 million)) classifying mobile phone under residuary entry under schedule V, whereas as per lawyer's opinion product is well covered in specific entry 29 under schedule -IV for which management also believes that the possibility of materializing the sales tax demand is low. Accordingly, no provision is made in the financial statements for such demands.

(iv) As per Custom Dept. "Camera Module for mobile phone" is neither similar nor identical with "Digital Still image video cameras" and thus the item "Camera Module for mobile phone" is totally different from "Digital still image video cameras, hence availed exemption is not eligible to company.

According to the Company, the company have rightly claimed exemption from the payment of Social Welfare Surcharge vide notification No 11/2018 CT under Sl. No 50 dated 02.02.2018 which exempts "Digital Still Image video cameras" falling under the Heading 8525 8020, considering camera module & digital still image video cameras serving the same purpose which is capturing the image and saved in data bank. Therefore, the Company have done no mistake by claiming exemption under above said notification. The period in which the Company had claimed this exemption is 2nd Feb 2018 to 31st Jul 2019. Total amount involved is Rs. 23.73 million (31 March 2022: 23.73 million). Against the order passed by Commissioner, the Company have filed an appeal before the CESTAT Delhi & deposited Rs. 1.56 million (31 March 2022: 1.56 million) of above amount for filing the appeal as mandatorily required. As per the consultant, the Company have a good case to argue and justify the claim.

(v) Search was conducted by Directorate of Revenue Intelligence (DRI) at Holding company's premises on February 09, 2022. During investigation, questions were raised on interpretation issue for classification on imported display assembly. To avoid unnecessary business interruption, the Holding company had decided to make a deposit of Rs.40 million under protest. The Holding company has not received any show cause notice or demand from the Department. The management is of the opinion that the Holding company is in compliance of law and the Holding company has strong chances of success against any dispute/demand and no liability will arise.

(b) Goods and Service tax

(i) GST Tax demands resolved of Nil (31 March 2022: Rs 9.30 million) (amount paid under protest of Rs. Nil (31 March 2022: Nil)) on account of less ITC Reversal u/s 42(4) of CGST Act, the Holding company had replied against the notice. We have submitted letter on April 01, 2022 with GST dept., Noida for clearance of this matter and same has been settled in our favour.

(ii) During the review of transactions of certain third parties, the Directorate General of Goods and Service Tax (DGGI), has identified certain sale and purchase transactions which was executed by the Holding company with these parties. Based on that, the Department has issued a show cause notice dated July 28, 2022 to the Holding company for the reversal of Input Tax Credit of Rs. 930 million (amount paid under protest of Rs. 20 million (31st March 2022: Nil)) related to earlier years. The Holding company has filed interim reply on June 21, 2023 before the aforementioned adjudicating authority. Management has obtained a legal opinion from the lawyers and based on such assessment, the Holding company does not expect any financial exposure and believe that it has a strong case and accordingly, no such reversal of Input Tax Credit will be required. Accordingly, no penalty, if any, will also be leviable as per the assessment of the management.
Further, out of transactions of certain third parties under review of DGGI, show cause notice has been issued by GST department, Delhi of Rs. 602.69 million on dated December 11, 2023 and Rs. 341.85 million (out of Rs. 371.14 million) on dated September 23, 2023 along with penalty in relation to certain transactions with few parties. The Company has filed the reply against the show cause notices and adjudication pending for completion. As matter pending before DGGI and GST department, Delhi are for the same transactions, hence, it should be assessed by the single authority. Management has obtained a legal opinion from the lawyers and based on such assessment, the Company does not expect any financial exposure and believe that it has a strong case and accordingly, no such reversal of Input Tax Credit will be required. Accordingly, no penalty, if any, will also be leviable as per the assessment of the management.

(a) Others

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

Hon'ble High Court, Delhi vide its order dated June 22, 2016 has passed an interim order wherein the Holding company was injuncted from manufacturing, importing, selling its devices, subject to the condition of deposit of Rs. 300 million (as modified in appeal) with the Registrar General of Delhi High Court. The Holding company has complied with the said order and deposited a sum of Rs. 300 million, as a result of which, the operation of interim Order was stayed till the final disposal of the main suit. The single bench of the Delhi high court has passed the order dated 28.03.2024 allowing the suit of Ericsson by awarding Rs. 2,440 million as damages towards infringement of patents as claimed by Ericsson. Subsequently, the Holding company has challenged the order dtd 28.03.2024 in appeal before the division bench of Delhi High court on 07.05.2024, the grounds of appeal includes: damages on account of expired patents, miscalculation of damages/interest, patents are in nature of algorithm hence not patentable and claimable and other legal grounds. Further, in response to the appeal filed by the Holding company, the Court had directed both the parties to settle the issue/dispute in accordance with the settlement agreement executed between the Ericsson and some other party for which the court has fixed the date of hearing on 18th July 2024. Based on legal advise and management's assessment thereof, the Holding company does not expect any financial exposure upon final settlement and accordingly no provision has been made in the financial statement of the Holding company.

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

The Holding company made payments to Mindtechnik LLP under the RCA, with a view to receive the Research and Collaboration deliverables envisaged under the Agreement. The parties also agreed not to challenge/assert any legal rights in relation to Technically Necessary Patents, if any, used/practised during the term of this agreement. The payments in question were being made by the Holding company in lieu of the secretary consideration/compensation/obligation of Mindtechnik/Hokin to enable and invest [illegible] collaboration in terms of the RCA and no technically necessary patents were used/practised.

Consequently, the Holding company declared the RCA to be frustrated as there was no consideration in its favour and consequently stopped making payments to Mindfactorials. As a result of this dispute, Mindfactorials initiated arbitration proceedings for recovery of amounts for the 4th and 5th quarter under the RCA, which was denied by the Holding company along with seeking refund of the amounts paid for the first three quarters under the RCA ("First Arbitration"). In relation to the First Arbitration, an award dated July 15, 2020 had been passed in which the Holding company liable to pay approximately Rs. 230 million. The Holding company has challenged the award of the First Arbitration before the Hon'ble High Court of Delhi, which is admitted and pending final adjudication. Without prejudice to it's challenge to the award, the Holding company has already paid Rs. 278.07 million (including TDS net of GST) and submitted bank guarantee of Rs 149.50 million with the Registrar General, Delhi High Court. Basis the Holding company's management assessment and supported by independent legal opinion from the legal counsel of the Holding company, subject to the pending challenge, the entire amount paid by the Holding company under this agreement to Mindfactorials is fully recoverable on legal grounds in favour of the Holding company.

Mindfactorials had initiated another arbitration proceeding to claim amount allegedly due to it for the 6th quarter onwards ("Second Arbitration"), which is pending at the arbitral tribunal and no amount have been adjudicated as yet on the claims raised by Mindfactorials. Without prejudice to the same, the Holding company has deposited the post-dated cheques amounting to Rs. 224.22 millions as a security with the concerned arbitral tribunal. Management has taken legal opinion from the lawyers and as per management's assessment, Holding company has strong case before arbitral tribunal on the ground presented by the Holding company.

(iii) On November 29, 2017, Share Subscription & Shareholder Agreement ("SSSHA") was executed between the Holding company, Sponsors of the Company and UNIC Memory Technology (HK) Ltd. ("UNIC"). There were certain disputes between the parties for which arbitration proceeding was initiated.

During the arbitration, settlement was arrived between the parties on the basis of which Consent Award dated September 9, 2021 ("the Consent"), was passed by the arbitral tribunal.

In terms of the Consent Award UNIC has approached Delhi High Court which is pending adjudication. The Holding company has evaluated the case and does not foresee any additional liability towards UNIC.

(iv) The Dolby had claimed ownership of a portfolio of 7 patents, these patents cover standardized technology for Advanced Audio Coding (AAC) and Unified Speech and Audio Coding (USAC). The Dolby assert that the Holding company has been in discussions for the lawful use of these patents since 2018 but has delayed concluding an agreement, characterizing them as an unwilling licensee. Accordingly, Dolby had filed a suit on 20 April 2024 against the Holding company before the Delhi High Court, the Holding company is in the process filing reply before the court in this case. Based on legal advice and management's assessment thereof, the Holding company does not expect any financial exposure and accordingly no provision has been made in the financial statement of the Holding company.

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(All amounts in Indian Rupees million, unless otherwise stated)

31 Employee stock option plans:

The plans existing during the year are as follows :

Number of options approved	17% of Equity Paid up Share capital
Method of settlement (Cash / Equity)	Cash/Equity
Vesting conditions	The employee should be on roll of the Holding Company or its subsidiary

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

Particulars	31 March 2023		31 March 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of year	49,161,534	8.33	48,701,702	8.27
Options granted during the year	1,201,873	24.86	459,832	17.05
Exercised / Settled during the year	152,960	19.21	-	-
Forfeited during the year	482,507	16.05	-	-
Outstanding at the end of the year	49,727,550	8.64	49,161,534	8.33
Exercisable as at end of the year	44,449,627	7.58	42,639,552	7.57

The details of the ESOP outstanding are as follows*

Range of exercise price per share	Options Outstanding as at 31 March 2023			Options Outstanding as at 31 March 2022		
	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price	No. of shares arising out of options	Weighted Average remaining contractual life	Weighted Average Exercise price
Rs 1 - Rs 3.125	20,444,744	2.76	2.50	20,444,744	3.76	2.50
Rs. 6.250 - Rs. 9.375	1,639,200	3.18	7.72	1,639,200	4.18	7.72
Rs. 9.375 - Rs. 12.500	18,508,158	-	10.95	18,508,158	0.80	10.95
Rs. 15.625 - Rs. 18.750	7,933,575	2.99	16.87	8,569,440	3.73	16.83
Rs. 21.875 - Rs. 25.000	1,201,873	4.88	24.86	-	-	-

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

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

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

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

	31 March 2023	31 March 2022
Expense arising from equity-settled share-based payment transactions	16.83	120.69
(Income) / Expense arising from settlement of options	-	-
	16.83	120.69

(All amounts in Indian Rupees million, unless otherwise stated)

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

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

S. No.	Particulars	31 March 2023	31 March 2022
1	The principal amount remaining unpaid to any supplier as at the end of each accounting year	132.37	241.90
2	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1.19	1.10
3	The amount of interest paid by the buyer in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
5	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.19	1.19
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

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

S. No.	Particulars	31 March 2023	31 March 2022
1	Gross amount required to be spent by the Holding Company during the year	10.03	8.05
2	Amount spent in cash during the year on:	10.03	8.10
a)	Construction/ acquisition of any asset	-	-
b)	Safeguarding environmental sustainability	-	8.10
c)	Promotion of education	10.03	-
d)	Upliftment of Rural Poor Youth	-	-
e)	Upliftment of Sports and Cultural Activities	-	-
3	Shortfall at the end of the year	-	-
4	Reason for Shortfall	NA	NA
5	Contribution to trust controlled by the Holding Company	Nil	Nil
6	Movement in Provision made	Nil	Nil

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34 Import of mobile phones only attracts Special Duty of Customs in lieu of Excise (CVD) which is equivalent to excise duty applicable on like goods as if manufactured or produced in India. Accordingly, mobile phones manufactured in India are subject to excise duty at the rate of 12.5% (including NCCD of 1%) if Cenvat Credit on inputs and capital goods is availed (rate of duty was 7.21% (including NCCD of 1%) till 28 February 2015) and 2% (including NCCD of 1%) if such Cenvat Credit on inputs and capital goods is not availed.

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

During the financial years 2014 -2015 and 2015 - 2016, the Holding Company was clearing the imported mobile phones by paying CVD of customs at higher rate of 7.21% before March 01, 2015 and 13.50% from March 01, 2015 instead of 2% during respective periods. The Company got re-assessed bills of entries amounting to Rs 438.47 million during the financial year 2017-18. Post clarification issued by the Hon'ble Supreme Court in M/s SRF case discussed above, and after re-assessment of bills of entries, the above said CVD amount became fully recoverable. Accordingly, the Holding Company has claimed refund as per the Customs Act 1962.

As at 31st March 2023, total amount recoverable amounting to Rs. 115.37 million (31 March 2022: Rs. 215.27 million) (including recoverable charges for delayed payment amounting to Rs. 251.54 million (31 March 2022: Rs. 251.54 million)) was recorded, has been disclosed under "Balance with statutory/government authorities" based on legal opinion obtained.

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(All amounts in Indian Rupees million, unless otherwise stated)

55 Investments accounted for using the equity method

Set out below are the associate and joint venture of the group as at 31st March 2023 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Nature	Principal place of business	Carrying amount	
			31st March 2023	31st March 2022
MagicTel Solutions Private Limited	Associate	India	12.90	13.07
Yamuna Electronics Manufacturing Cluster Private	Joint venture	India	47.97	48.02
Total			**60.87**	**61.09**

*Through the shareholders agreement of Yamuna Electronics Manufacturing Cluster Private Limited, the Group has joint control over the entity, even though it only holds 45.33% effectively, of the voting rights.

(i) Commitments and contingent liabilities in respect of associates and joint ventures

The group has no contingent liabilities or capital commitments relating to its interest in MagicTel Solutions Private Limited and Yamuna Electronics Manufacturing Cluster Private Limited as at 31 March 2023 and 31 March 2022.

The tables below provide summarised financial information for joint ventures and associates of the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Lava International Limited's share of those amounts.

Summarised Balance Sheet

	MagicTel Solutions Private Limited		Yamuna Electronics Manufacturing Cluster Private Limited	
	31st March 2023	31 March 2022	31st March 2023	31 March 2022
Current assets	2.29	4.31	0.61	0.58
Non-current assets	49.65	48.74	141.45	141.45
Current liabilities	(0.36)	(0.76)	(19.62)	(19.48)
Non-Current liabilities	-	-	-	-
Net assets	**51.59**	**52.28**	**122.44**	**122.55**
Proportion of Group's ownership	25.00%	25.00%	45.33%	45.33%
Carrying amount of the Investment	12.90	13.07	47.97	48.02

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(All amounts in Indian Rupees million, unless otherwise stated)

Summarised statement of profit and loss

	MagicTel Solutions Private Limited		Yamuna Electronics Manufacturing Cluster Private Limited	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue	3.01	5.73	-	-
Other income	0.01	0.02	-	-
Interest income	2.02	2.19	-	-
Cost of Sales	(1.27)	(3.18)		-
Depreciation and amortisation	(0.17)	(0.52)	-	-
Interest expense	(0.01)	(0.03)	(0.00)	-
Income tax expense/(income)	(0.05)	(0.02)	-	-
Employee benefit expense	(3.62)	(7.17)	-	-
Other expenses	(0.61)	(0.93)	(0.11)	(0.10)
Profit for the year	**(0.70)**	**(3.68)**	**(0.11)**	**(0.10)**
Other comprehensive income	-	-	-	-
Total comprehensive income	(0.70)	(3.68)	(0.11)	(0.10)
Tax adjustment of earlier years	-	-		
Proportion of Group's ownership	25.00%	25.00%	45.33%	45.33%
Gain/ (Loss) from profit of associate/ joint venture	(0.18)	(0.92)	(0.04)	(0.04)

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(All amounts in Indian Rupees million, unless otherwise stated)

30 Lease Liabilities

Contractual maturities of lease liabilities:-

The details of contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis are as follows:-

Particulars	31 March 2023	31 March 2022
Payable not later than 1 year	38.40	30.16
Payable later than 1 year and not later than 5 year	109.47	132.43
Later than 5 year	-	-
	147.87	162.59

Lease liability

Particulars	Office building	Factory building	Warehouse Building	Vehicle	Total
As at 31 March 2021	51.00	133.53	2.21	-	186.24
Addition in lease liability	-	-	-	-	-
Interest expense on lease liability	5.68	14.83	0.25	-	20.78
Payment made during CY	13.28	30.08	0.57	-	44.52
As at 31 March 2022	43.40	117.30	1.89	-	162.59
Addition in lease liability	-	-	-	19.08	19.08
Interest expense on lease liability	4.84	13.09	0.20	0.55	18.68
Payment made during CY	13.79	33.93	0.59	4.17	52.48
As at 31 March 2023	34.45	96.46	1.50	15.46	147.87
Non Current portion	23.02	71.94	1.02	13.49	109.47
Current maturities of lease liability	11.43	24.52	0.48	1.97	38.40

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(All amounts in Indian Rupees million, unless otherwise stated)

37 Group information

Additional information, as required under Schedule III to the Companies act, 2013 for entities consolidated as subsidiaries, Controlled trust, Associates and joint ventures :

S. No.	Name of the entity in the Group	Country of incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
(i)	**Parent (Holding Company)**											
1	Lava International Limited	India	31 March 2023	-	68.29%	9,583.94	40.16%	353.30	-0.24%	(2.14)	32.71%	355.44
			31 March 2022	-	69.24%	15,842.27	21.70%	485.49	0.00%	0.05	19.03%	485.44
(ii)	**Subsidiaries**											
	Indian											
1	Lava Enterprises Limited	India	31 March 2023	99.95%	0.37%	51.26	0.01%	0.05	-	-	0.00%	[illegible]
			31 March 2022	99.95%	0.22%	51.21	0.00%	(0.09)	-	-	0.00%	[illegible]
2	Sojo Distribution Private Limited	India	31 March 2023	90.00%	-0.07%	(9.90)	-0.37%	(3.30)	-	-	-0.30%	(3.30)
			31 March 2022	90.00%	-0.03%	(6.60)	-0.30%	(5.59)	-	-	-0.26%	(5.59)
3	Sojo Manufacturing Services (A.P.) Private	India	31 March 2023	99.97%	0.27%	37.43	-0.18%	(1.59)	-	-	-0.15%	(1.59)
			31 March 2022	99.97%	0.17%	39.04	0.04%	8.24	-	-	0.41%	8.24
4	Sojo Manufacturing Services Private Limited	India	31 March 2023	99.95%	0.15%	20.77	-0.01%	(0.08)	-	-	-0.01%	[illegible]
			31 March 2022	99.95%	0.09%	20.84	0.00%	(0.03)	-	-	0.00%	[illegible]
	Foreign											
1	LAVA International (H.K.) Limited	Hong Kong	31 March 2023	100.00%	21.32%	2,993.63	25.55%	224.78	-	-	20.68%	224.78
			31 March 2022	100.00%	19.22%	4,400.02	22.31%	414.82	-	-	19.57%	416.82
2	Xolo International (H.K) Limited	Hong Kong	31 March 2023	100.00%	4.48%	629.68	16.86%	148.36	-	-	13.63%	148.36
			31 March 2022	100.00%	4.87%	1,115.23	20.78%	388.30	-	-	18.23%	388.30
3	Lava Technologies DMCC - UAE		31 March 2023	100.00%	11.13%	1,566.04	4.42%	38.86	-	-	3.58%	38.86
			31 March 2022	100.00%	8.11%	1,856.35	26.22%	489.93	-	-	23.00%	489.93

S. No.	Name of the entity in the Group	Country of Incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
4	Lava Technologies LLC (USA)	USA	31 March 2023	100.00%	0.30%	41.55	0.00%	-	-	-	0.00%	-
			31 March 2022	100.00%	0.17%	38.38	0.07%	1.29	-	-	0.06%	1.29
5	Pt. Lava Mobile Indonesia	Indonesia	31 March 2023	95.00%	-0.01%	(1.09)	0.00%	-	-	-	0.00%	-
			31 March 2022	95.00%	0.00%	(1.03)	0.00%	-	-	-	0.00%	-
6	Lava International DMCC, UAE***	UAE	31 March 2023	100.00%	-0.32%	(44.27)	0.00%	-	-	-	0.00%	-
			31 March 2022	100.00%	-0.18%	(40.92)	0.29%	5.39	-	-	0.25%	*5.39
7	Lava Mobility (Private) Limited, Sri Lanka	Sri Lanka	31 March 2023	100.00%	0.01%	1.61	0.00%	-	-	-	0.00%	-
			31 March 2022	100.00%	0.01%	1.67	0.00%	-	-	-	0.00%	-
8	Lava Mobile Mexico S.DE.R.L. DE C.V.	Mexico	31 March 2023	99.00%	0.00%	0.22	0.00%	-	-	-	0.00%	-
			31 March 2022	99.00%	0.00%	0.18	0.00%	-	-	-	0.00%	-
9	Lava International (Myanmar) Co. Limited	Myanmar	31 March 2023	99.00%	0.01%	1.13	0.00%	-	-	-	0.00%	-
			31 March 2022	99.00%	0.01%	1.22	0.00%	-	-	-	0.00%	-
10	Lava International (Nepal) Private Limited	Nepal	31 March 2023	100.00%	0.01%	1.35	0.18%	1.59	-	-	0.15%	1.59
			31 March 2022	100.00%	0.00%	(0.34)	0.09%	1.68	-	-	0.08%	1.68
11	Lava International (Bangladesh) Limited	Bangladesh	31 March 2023	99.99%	0.07%	10.30	0.00%	(0.02)	-	-	0.00%	(0.02)
			31 March 2022	99.99%	0.05%	11.82	-0.01%	(0.13)	-	-	-0.01%	(0.13)
12	China Bird Commercial S.A.*	Panama	31 March 2023	100.00%	17.09%	2,400.42	10.46%	92.05	-	-	8.47%	92.05
			31 March 2022	100.00%	9.33%	2,134.75	-0.68%	(12.77)	-	-	-0.60%	(12.77)
13	China Bird Hong Kong, Ltd.**	Hong Kong	31 March 2023	100.00%	-0.42%	(58.83)	3.42%	38.10	-	-	2.77%	38.10
			31 March 2022	100.00%	-0.36%	(82.22)	-0.02%	(0.45)	-	-	-0.02%	(0.45)

S. No.	Name of the entity in the Group	Country of Incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
14	China Bird Guatemala, S.A. **	Guatemala	31 March 2023	100.00%	-0.25%	(35.43)	0.26%	2.29	-	-	0.21%	2.29
			31 March 2022	100.00%	-0.15%	(33.40)	0.65%	13.22	-	-	0.37%	13.22
15	B Telecomunicaciones Mexico, S.A. DE C.V.**	México	31 March 2023	100.00%	-0.49%	(69.24)	3.34%	22.37	-	-	2.06%	22.37
			31 March 2022	100.00%	-0.37%	(76.63)	1.52%	33.85	-	-	1.68%	33.85
16	Bmobile America **	Panamá	31 March 2023	100.00%	-0.03%	(4.33)	0.00%	-	-	-	0.00%	-
			31 March 2022	100.00%	-0.02%	(4.08)	0.00%	-	-	-	0.00%	-
17	Sms De Guatemala, S.A. **	Panamá	31 March 2023	100.00%	-1.20%	(168.82)	-0.04%	0.32	-	-	-0.03%	(0.33)
			31 March 2022	100.00%	-0.68%	(156.41)	0.00%	(0.08)	-	-	-	(0.08)
18	Multicentrum HK LTD. **	Hong Kong	31 March 2023	100.00%	2.34%	328.47	0.00%	-	-	-	0.00%	-
			31 March 2022	100.00%	0.00%	(0.23)	0.00%	-	-	-	0.00%	-
19	Bmobile Europa **	España	31 March 2023	100.00%	-0.10%	(14.58)	0.00%	-	-	-	0.00%	-
			31 March 2022	100.00%	-0.06%	(13.70)	0.00%	-	-	-	-	-
20	Mobile Consumer Products, S.A. **	Panamá	31 March 2023	100.00%	7.78%	1,092.38	0.04%	0.32	-	-	0.02%	0.32
			31 March 2022	100.00%	4.41%	1,008.72	0.27%	4.58	-	-	0.33%	4.58
21	B Telecomunicaciones Colombia, S.A.C. **	Colombia	31 March 2023	100.00%	-0.03%	(4.46)	0.00%	-	-	-	0.01%	-
			31 March 2022	100.00%	-0.02%	(5.01)	0.00%	-	-	-	0.00%	-
22	B Telecomunicaciones Latinoamerica, S.A. **	Ecuador	31 March 2023	100.00%	-0.18%	(25.06)	0.00%	-	-	-	0.00%	-
			31 March 2022	100.00%	-0.10%	(23.13)	0.00%	-	-	-	0.00%	-

S. No.	Name of the entity in the Group	Country of Incorporation	Year ended	Effective Holding	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
23	Pader Ecuatoriano De Manufactura Y Desarrollo Proveemovile S.A. **	Ecuador	31 March 2023	100.00%	-0.02%	(3.50)	0.00%	-	-	-	0.00%	-
			31 March 2022	100.00%	-0.01%	(3.23)	0.00%	-	-	-	0.00%	-
24	B Telecomunicaciones Peru S.A. **	Peru	31 March 2023	100.00%	-0.04%	(6.23)	-3.12%	(27.45)	-	-	-2.51%	(27.45)
			31 March 2022	100.00%	0.09%	19.88	6.04%	113.22	-	-	5.32%	113.22
25	Azumi S.A. **	Panama	31 March 2023	100.00%	7.33%	1,037.99	0.69%	6.02	-	-	0.56%	6.02
			31 March 2022	100.00%	4.25%	971.67	-0.43%	(8.06)	-	-	-0.38%	(8.06)
26	Azumi S.A. Agencia En Chile **	Chile	31 March 2023	100.00%	-0.91%	(127.09)	-0.29%	(2.54)	-	-	-0.23%	(2.54)
			31 March 2022	100.00%	-0.50%	(113.42)	0.90%	16.80	-	-	0.79%	16.80
27	Azumi Hong Kong Ltd **	Hong Kong	31 March 2023	100.00%	0.14%	19.71	-0.12%	(1.07)	-	-	-0.10%	(1.07)
			31 March 2022	100.00%	0.08%	19.20	-0.16%	(2.96)	-	-	-0.14%	(2.96)
28	Azumi Mobile Africa **	South Africa	31 March 2023	100.00%	0.11%	15.00	-0.12%	(1.03)	-	-	-0.09%	(1.03)
			31 March 2022	100.00%	0.08%	18.27	0.66%	12.36	-	-	0.58%	12.36
29	Azumi USA, Corp. **	USA	31 March 2023	100.00%	-0.14%	(19.51)	-0.09%	(0.77)	-	-	-0.07%	(0.77)
			31 March 2022	100.00%	-0.07%	(17.13)	-0.00%	(0.06)	-	-	-0.00%	(0.06)
30	Nemum S.A. **	Chile	31 March 2023	100.00%	-0.78%	(109.35)	0.00%	-	-	-	0.00%	-
			31 March 2022	100.00%	-0.53%	(121.24)	0.00%	-	-	-	0.00%	-
31	Nxtz Mexico S.A. DE C.V. **	Mexico	31 March 2023	100.00%	-3.83%	(538.35)	8.48%	74.56	-	-	6.56%	74.56
			31 March 2022	100.00%	-2.24%	(513.32)	3.64%	68.00	-	-	3.19%	68.00
	Non Controlling interest in all subsidiaries		31 March 2023		-0.16%	(22.81)	-0.08%	(0.70)	-	-	-0.06%	(0.70)
			31 March 2022		-0.10%	(22.17)	-0.03%	(0.53)	-	-	-0.02%	(0.53)

S. No.	Name of the entity in the Group	Country of Incorporation *	Year ended	Effective Holding	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
(iii)	**Associates**											
	Indian											
1	MagicTel Solutions Private Limited	India	31 March 2023	23.00%	0.09%	12.90	-0.02%	(0.18)	-	-	-0.02%	(0.18)
			31 March 2022	25.00%	0.06%	13.07	-0.95%	(9.92)	-	-	-0.04%	(9.92)
(iv)	**Joint venture (accounted for using equity method)**											
	Indian											
1	Yamuna Electronics Manufacturing Cluster Private Limited (YEMCPL)	India	31 March 2023	45.33%	0.34%	47.97	0.00%	(0.04)	-	-	0.00%	(0.04)
			31 March 2022	45.33%	0.21%	48.02	0.00%	(0.04)	-	-	0.00%	(0.04)
(v)	**Controlled Trust**											
	Indian											
1	Lava Employee Welfare Trust	India	31 March 2023	-	0.00%	0.51	0.01%	0.08	-	-	0.01%	0.08
			31 March 2022	-	0.00%	0.43	0.00%	0.08	-	-	0.00%	0.08
	Inter company eliminations / adjustments on consolidation		31 March 2023	-	-32.82%	(4,608.70)	-8.63%	(75.95)	101.03%	(229.13)	12.20%	(133.20)
			31 March 2022	-	-15.21%	(3,480.32)	3.93%	(73.38)	100.02%	(251.51)	8.83%	188.15
	Total		**31 March 2023**		**100%**	**14,042.88**	**100%**	**879.75**	**101%**	**(227.01)**	**100%**	**1,096.77**
	Total		**31 March 2022**		**100%**	**22,884.31**	**100%**	**1,868.46**	**100%**	**(261.48)**	**100%**	**2,139.12**

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

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

*** Lava International DMCC, UAE ceased to exist w.e.f. 12th June, 2023

(This space has been intentionally left blank)

(All amounts in Indian Rupees million, unless otherwise stated)

38 Research and development expenditure:

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

Particulars	31 March 2023	31 March 2022
Amount charged to Statement of Profit and Loss	155.88	128.92
Amount capitalised		
– Property, plant and equipment	11.89	10.36
	167.77	139.28

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

Particulars	Notes	31 March 2022	Regrouping	31 March 2022 Regrouped
Cash and cash equivalents	9 (d)	427.92	503.05	930.97
Other bank balances	9 (e)	601.92	482.44	1,084.36
Other financial assets	9 (f)	1,053.35	(986.12)	67.23

The above regrouping do not have material impact on the financial statements.

40 Business Combination

Pursuant to the Share Swap Agreement dated August 4, 2021 entered into amongst the Company, China Bird Commemorica S.A., Clipper Global S.A., shareholders of Clipper Global S.A. and shareholders of the Company, the Company purchased 15,000 equity shares aggregating to 100% of the issued and paid-up share capital of China Bird Commemorica S.A., on a fully diluted basis, from the Clipper Global S.A. for a consideration of USD 50.54 million.
On 16th September 2021, the Holding Company had issued a total of 27,888,407 equity shares at a face value of Rs. 5 each (share premium of Rs. 128.25 each) to Clipper Global S.A., for acquisition of China Bird Commemorica S.A. with 100% equity stake for a total purchase consideration of Rs. 3,716.14 million. China Bird Commemorica S.A. is engaged in the supply of mobile phones and telecommunication equipments.

Particulars	Amount
Purchase consideration paid for equity share	3,716.14
Less: Value of fair value net assets on acquisition date	1,379.92
Surplus arising out of acquisition	2,336.22
Less: - Brand	2,142.19
Less: - Long term customer contract	65.28
Goodwill arising out of acquisition	128.75

(a) Revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of profit and loss of the Group:

Particulars	Amount
Revenue from Operations	3,191.47
Profit before tax	213.20

(All amounts in Indian Rupees million, unless otherwise stated)

(b) Details of assets acquired and liabilities recognised at the date of acquisition

Particulars	Amount
Non current assets	
Property, plant & equipment	15.77
Investment in companies	105.21
Prepaid expenses	21.56
Other financial assets	0.01
Current assets	
Inventories	1,565.56
Balance with banks	63.58
Trade receivables	471.31
Other current assets	719.17
Current liabilities	
Borrowings	(1,011.77)
Trade payable	(1,148.30)
Other financial liabilities	(2.30)
Other current liabilities	(34.70)
Fair value of net assets acquired	**1,279.92**

The determination of the fair value is based on discounted cash flow method. Key assumptions on which the Management has based fair valuation include estimated long-term growth rates, weighted average cost of capital and estimated operating margins.

(c) The Goodwill arising on business combination is measured at cost at the acquisition date, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is tested for impairment at the reporting date. Hence, there is no impairment in the value of the Goodwill.

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

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

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

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

45 The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any and to the extent ascertainable, on long term contracts including derivative contracts.

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

47 The Group has not been declared wilful defaulter as at the date of the balance sheet or on the date of approval of the financial statements.

Non Adjusting Events subsequent to 31 March, 2023

48 In respect of certain transactions of some other companies in prior periods, the Directorate of Enforcement (ED) has investigated and filed the case against the Holding Company and its former Managing Director and the matter is subjudice. On the basis the available information and as per the legal opinion the Company has a very good case. Accordingly, as on the date of approval of these financial results, the Company has not made any adjustments, disclosures or given any effect in the financial statements.

49 The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

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

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

53 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

54 The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

As per our report of even date as attached

For Raj Gupta and Company
Chartered Accountants
Firm's Registration No.: 000203N

Gaurav Jindal

Gaurav Jindal
Partner
Membership No. 553643

UDIN: 24553643BKCPHW5782
Place: Noida
Date: 20th May 2024

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

Shailendra Nath Rai
Whole-Time Director
(DIN-00928417)

Sunil Raina
Whole-Time Director
(DIN-09302069)

Sanjeev Agarwal

Sanjeev Agarwal
Whole-Time Director
(DIN-03110183)

Sunil Bhalla
Director
(DIN-[illegible])

Vishal Sehgal
Director
(DIN-03122049)

[illegible]
Chief Financial Officer

Preeti
Company Secretary
(M. No. - A53936)

Place: Noida
Date: 20th May 2024