

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of **International Comfort Technologies Private Limited**, which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the 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, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss, changes in equity and its cash flows for the period ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 opinion.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report etc but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

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, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.



MSKA & Associates

Chartered Accountants

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
 - (1) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55(i) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person/ entity, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, 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;
 - (2) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55(ii) to the financial statements, no funds have been received by the Company from any entity, including foreign entities, that the company has 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;
 - (3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the period.



MSKA & Associates

Chartered Accountants

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706AJQSVO1674



Place: Gurgaon
Date: May 12, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W



Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706AJQSV01674



Place: Gurgaon
Date: May 12, 2022

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED FOR THE PERIOD ENDED MARCH 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

- (a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company does not have intangible assets. Accordingly, the provisions stated in paragraph 3(i)(a)(B) related to intangible assets are not applicable to the Company.

- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the period and no material discrepancies were identified on such verification.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

- (a) The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.

- (b) According to the information and explanations provided to us, the Company has not been sanctioned working capital limits. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.

- iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.



MSKA & Associates

Chartered Accountants

v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2022 and the Company has not accepted any deposits during the period.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess have been regularly deposited by the company with appropriate authorities in all cases during the period.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the period in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the period have been applied for the purpose for which they were raised.

(d) In our opinion, according to the information explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information explanation 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 an 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 procedures performed by us, we report that the Company has not raised loans during the period on the pledge of securities held in its securities, joint ventures or associate companies.



MSKA & Associates

Chartered Accountants

x.

- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the period and the requirements of Section 42 and section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.

xi.

- (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the period ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Section 177 of the Act is not applicable on the Company.

xiv.

- (a) In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Act. Hence, the provisions stated in paragraph 3(xiv) (a) to (b) of the Order are not applicable to the Company.
- (b) The Company did not have an internal audit system for the period under audit.

- xv. According to the information and explanations given to us, in our opinion during the period the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

- (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company



MSKA & Associates

Chartered Accountants

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 xvi (d) of the order are not applicable to the company

xvii. Based on the overall review of financial statements of the Company has incurred cash losses in the current financial period. The details of the same are as follows:

Particulars	March 31, 2022	March 31, 2021
Cash Losses incurred during the period	449 Lacs	Not Applicable

xviii. There has been no resignation of the statutory auditors during the period. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realization of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is 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.

xx. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Manish P Bathija

Partner

Membership No. 216706

UDIN: 22216706AJQSVO1674



Place: Gurgaon

Date: May 12, 2022

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of International Comfort Technologies Private Limited on the Financial Statements for the year ended March 31, 2022]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

OPINION

We have audited the internal financial controls with reference to financial statements of International Comfort Technologies Private Limited as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Manish P Bathija

Partner

Membership No. 216706

UDIN: 22216706AJQSVO1674



Place: Gurugram

Date: May 12, 2022

International Comfort Technologies Private Limited
Balance Sheet as at March 31, 2022
(In Indian Rupees (Lakhs), unless otherwise stated)

Particulars	Note no.	As at March 31, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	3A	3,682.51
Capital work in progress	3B	3,168.12
Right of use assets	4	2,360.97
Financial assets		
(i) Loans	5	0.93
Deferred tax assets (net)	6	149.39
Other non-current assets	8	539.70
Total non-current assets		9,901.62
Current assets		
Inventories	9	548.92
Financial assets		
(i) Trade receivables	10	415.29
(ii) Cash and cash equivalents	11	31.32
(iii) Other financial assets	12	1.59
Current tax assets (net)	13	1.14
Other current assets	14	2,802.98
Total current assets		3,801.24
Total assets		13,702.86
EQUITY AND LIABILITIES		
Equity		
Equity share capital	15	10.00
Instruments entirely equity in nature		2,990.00
Other equity	16	(721.21)
Total equity		2,278.79
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	17	7,600.00
(ii) Lease liabilities	18	1,581.81
Provisions	19	22.79
Total non-current liabilities		9,204.60
Current liabilities		
Financial liabilities		
(i) Borrowings	20	1,200.00
(ii) Lease liabilities	18	103.18
(iii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	21	60.65
- Total outstanding dues of creditors other than micro enterprises and small enterprises		440.50
(iv) Other financial liabilities	22	369.77
Other current liabilities	23	44.92
Provisions	19	0.45
Total current liabilities		2,219.47
Total liabilities		11,424.07
Total equity and liabilities		13,702.86

The accompanying notes are an integral part of these financial statement
As per our report of even date

For MSKA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 105047W

Manish P Bathija
Partner
Membership No.: 216706

Place: Gurugram
Date: May 12, 2022



For and on behalf of the Board of Directors of
International Comfort Technologies Private Limited
CIN :U36999DL2021PTC387558

Rahul Gautam
Director
DIN:00192999

Place: Noida
Date: May 12, 2022

Tushaar Gautam
Director
DIN:01646487

Place: Noida
Date: May 12, 2022

Shradha Shukla
Company Secretary
M.No. A46072

Place: Noida
Date: May 12, 2022

International Comfort Technologies Private Limited
Statement of Profit and Loss for the period ended March 31, 2022
(in Indian Rupees (Lakhs), unless otherwise stated)

Particulars	Note no.	For the period ended March 31, 2022
Income		
Revenue from operations	24	762.96
Other income	25	6.52
Total income		769.48
Expenses		
Cost of materials consumed	26	975.85
Purchase of stock-in-trade	27	22.78
Other manufacturing expenses	28	35.10
Changes in inventories of finished goods and work in progress	29	(112.16)
Employee benefits expense	30	114.50
Finance costs	31	101.92
Depreciation and amortization expense	32	148.76
Other expenses	33	356.41
Total expenses		1,643.16
Loss before tax		(873.68)
Tax expense		
Current tax	7	-
Deferred tax (credit)	6	(149.92)
Total income tax expense		(149.92)
Loss for the period		(723.76)
Other comprehensive income		
Items that will not be reclassified to profit or loss		3.08
Remeasurements of the net defined benefit plans		
Income tax effect		(0.53)
Total comprehensive income for the period		2.55
		(721.21)
Earnings per equity share		
Basic and diluted earnings per share	34	(723.76)

The accompanying notes are an integral part of these financial statement
As per our report of even date

For MSKA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 105047W

Manish P Bathija

Manish P Bathija
Partner
Membership No.: 216706



For and on behalf of the Board of Directors of
International Comfort Technologies Private Limited
CIN :U36999DL2021PTC387558

Rahul Gautam
Rahul Gautam
Director
DIN:00192999

Tushaar Gautam
Tushaar Gautam
Director
DIN:01646487

Shradha Shukla
Shradha Shukla
Company Secretary
M.No. A46072

Place: Gurugram
Date: May 12, 2022

Place: Noida
Date: May 12, 2022

Place: Noida
Date: May 12, 2022

Place: Noida
Date: May 12, 2022

International Comfort Technologies Private Limited
Statement of Cash Flows for the period ended March 31, 2022
(in Indian Rupees (Lakhs), unless otherwise stated)

Particulars	For the period ended March 31, 2022
A. Cash flow from operating activities	
Loss before tax	(873.68)
Adjustments:	
Depreciation and amortization expense	148.76
Finance costs	100.95
Unrealised foreign exchange loss (net)	228.84
Operating loss before working capital changes	(395.13)
Changes in working capital:	
(Increase) in Inventories	(548.92)
(Increase) in loans and trade receivables	(416.22)
(Increase) in other financial and non-financial assets	(2,804.58)
Increase in trade payables	272.31
Increase in provisions	23.24
Increase in other financial liabilities and non-financial liabilities	74.77
Cash used in operations	(3,794.53)
Income tax paid	(1.14)
Net cash flow used in operating activities (A)	(3,795.67)
B. Cash flow from investing activities	
Purchase of property, plant and equipment including capital work in progress	(7,842.90)
Net cash flow used in investing activities (B)	(7,842.90)
C. Cash flow from financing activities	
Proceeds from equity shares & instruments entirely equity in nature	3,000.00
Proceeds from long term borrowings	7,600.00
Proceeds from short term borrowings	10,800.00
Principal paid on lease liabilities	(24.89)
Interest paid on lease liabilities	(51.37)
Repayments of short term borrowings	(9,600.00)
Interest paid	(53.85)
Net cash flow from in financing activities (C)	11,669.89
Net increase in cash and cash equivalents (A+B+C)	31.32
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	31.32

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2. Components of cash and cash equivalents:

	As at March 31, 2022
Cash and cash equivalents comprise	
Cash on hand	-
Balance with banks in current accounts	31.32
Total cash and bank balances at end of the period	31.32

The accompanying notes are an integral part of these financial statement

For MSKA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 105047W

Manish P Bathija

Manish P Bathija
Partner
Membership No.: 216706



For and on behalf of the Board of Directors of
International Comfort Technologies Private Limited
CIN :U36999DL2021PTC387558

Rahul Gautam

Rahul Gautam
Director
DIN:00192999

Tushaar Gautam

Tushaar Gautam
Director
DIN:01646487

Shradha Shukla

Shradha Shukla
Company Secretary
M.No. A46072

Place: Gurugram
Date: May 12, 2022

Place: Noida
Date: May 12, 2022

Place: Noida
Date: May 12, 2022

Place: Noida
Date: May 12, 2022

International Comfort Technologies Private Limited
Statement of Changes in Equity for the period ended March 31, 2022
(in Indian Rupees (Lakhs), unless otherwise stated)

a. Equity share capital

	Number of shares	Amount (In Lakhs)
Equity share		
Add: Issued during the period	1,00,000	10.00
Balance as at March 31, 2022	1,00,000	10.00
Total equity share capital		10.00

b. Preference share capital

	Number of shares	Amount
Convertible preference share		
Add: Issued during the period	2,99,00,000	2,990.00
Balance as at March 31, 2022	2,99,00,000	2,990.00
Total preference share capital		2,990.00

c. Other equity

Particulars	Retained earnings	Total
Loss for the period	(723.76)	(723.76)
Other Comprehensive Gain for the period (net of tax)	2.55	2.55
Total comprehensive income for the period	(721.21)	(721.21)
Balance as at March 31, 2022	(721.21)	(721.21)

The accompanying notes are an integral part of these financial statements

For MSKA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 105047W

Manish P Bathija

Manish P Bathija
Partner
Membership No.: 216706



For and on behalf of the Board of Directors of
International Comfort Technologies Private Limited
CIN :U36999DL2021PTC387558

Rahul Gautam
Rahul Gautam
Director
DIN:00192999

Tushaar Gautam
Tushaar Gautam
Director
DIN:01646487

Shradha Shukla
Shradha Shukla
Company Secretary
M.No. A46072

Place: Gurugram
Date: May 12, 2022

Place: Noida
Date: May 12, 2022

Place: Noida
Date: May 12, 2022

Place: Noida
Date: May 12, 2022

INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

1. COMPANY INFORMATION

International Comfort Technologies Private Limited (ICTPL) ('the Company') is a Private Limited Company incorporated in India on 1st October 2021, with its registered office in New Delhi.

ICTPL is pioneered in the manufacturing of polyurethane foam. It will establish two manufacturing facilities one in Mandla in Jabalpur and other is at Nandigram, Gujarat with the object to manufacture the valued products to tap rural or semi urban market targeting consumer segment and scaleup the export and e-commerce business.

The financial statement for the period 1st October 2021 to 31st March 2022 were approved by the Board of Directors and authorized for issue on 12TH May 2022

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation

The financial statement have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The financial statement have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The financial statement have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value (refer accounting policy regarding financial instruments).

b. Functional and presentation currency

The financial statement is prepared in Indian Rupees ('Rs.'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

c. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

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



INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

d. Use of estimates and judgments

The preparation of the financial statement requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statement are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statement. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

Refer below for detailed discussion on estimates and judgments:

i. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rata basis on written down value basis over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.2 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

ii. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of these obligations. The mortality rate is based on publically available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 34.

iii. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.



INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

iv. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. Impairment of Financial assets

The impairment provision of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi. 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 assets recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where 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, or other fair value indicators.

2.2 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

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

Depreciation on property, plant & equipment is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by management, in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto Rs.5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.



INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Building		
- Factory (including roads)	30	29
- Office	60	59
- Residential	60	59
Plant & Equipment	15	20
Furniture & Fixtures	10	15
Vehicles		
- Motor Cars	8	10
Office Equipment	5	20
Date Processing Equipment		
- Computer Equipment	3	6
Electrical Fittings	10	20

Based on usage pattern and internal assessment, management believes the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Cost of leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of assets.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

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

2.3 Investment Property

Property that is held for long- term rental yields or for capital appreciation or both and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred. Though the Company measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rata basis on a written down value basis, over the useful life of the property estimated by management, in the manner prescribed in Schedule II of the Act. The property's residual value, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Act :

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Buildings :		
- Factory	30	29
- Office	60	59
- Residential	60	59



INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

Based on usage pattern and internal assessment, management believes the useful lives, as given above best, represent the period over which the management expects to use the properties. Hence the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to/from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

2.4 Investment in Subsidiaries

Investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. 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, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.5 Financial Instruments

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

(i) Financial Assets

(a) Initial recognition and measurement

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

(b) Classification and subsequent measurement

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

- a. at amortized cost;
- b. at fair value through other comprehensive income (FVTOCI); and
- c. at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

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

- **Business Model Test:** The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- **Cash Flow Characteristics Test:** Contractual terms of the financial 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 relevant to the Company. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the



INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

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. The EIR amortization is included in interest 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 receivables, deposits with banks, security deposits, cash and cash equivalents, investments in securities and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- | | |
|-----------------------------------|--|
| - Business Model Test: | The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and |
| - Cash Flow Characteristics Test: | The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding. |

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss. The Company as at the Balance Sheet date does not have any such instruments.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss. This category comprises of investments in mutual funds and market linked debentures.

(c) **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits, employee loans, etc.
- Financial assets that are debt instruments and are measured at FVTOCI.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (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 Company reverts to recognizing impairment loss allowance based on 12-months ECL.



INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

- a. The rights to receive cash flows from the asset have been expired/transferred; or
- b. The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

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

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL 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.

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 Other Comprehensive Income. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the other cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of comprehensive income.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Financial Guarantee Contract

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for 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 amortization.



INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.6 Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, first-in-first-out cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the first-in-first-out and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a first-in-first-out.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.8 Impairment of Non-Financial Assets

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

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

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the



INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and 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 obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.10 Revenue Recognition

- a) 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 to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.
- b) Revenue from sale of goods is recognised when the control of the goods is transferred to the customer, which is generally on the delivery of the goods, the associated costs and the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Company. It is measured at fair value of the consideration received or receivable, after deduction of sales returns, trade discount, volume rebates and goods and service tax collected on behalf of the government and amount collected on behalf of its customers.
- c) Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed. Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.
- d) In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current and Non-current Liabilities" as "Contract Liabilities".

Other revenue streams:

- e) Interest income on fixed deposits is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates. Interest income is included under the head "other income" in the Statement of Profit and Loss.
- f) Insurances claims are recognised to the extent the Company is reasonably certain of their ultimate receipt.
- g) Dividend income on investments is recognized when the right to receive dividend is established, if any.
- h) Other income/revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.



INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

2.11 Government Grants / Subsidy

Government Grants are recognized when there is no significant uncertainty regarding the ultimate collection. Government grants of capital nature are credited to capital reserve. Other government grants of revenue nature including subsidies are credited to specific expense head in the Statement of Profit and Loss.

2.12 Employee Benefits

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc, are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Long Term Benefit

The employees of the Company are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

i. Defined contribution plan:

The Company's approved provident fund scheme, employees' state insurance fund scheme and employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the year in which the employee renders the related service which is charged to the Statement of Profit and Loss.

ii. Employee's State Insurance Scheme:

Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

iii. Defined benefit plan

Gratuity: The company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise. Liability is funded through a separate Gratuity Trust. The short/ excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ asset as at the Balance Sheet date.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

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



INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

2.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Company as a lessee

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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

2.14 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing as at the balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions.

2.15 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax are included in the determination of the net profit or loss for the year.

a. Current Tax

Current 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.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities 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



INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

that it is probable that taxable profit will be available against which the deductible temporary differences, 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. 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 is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2.16 Earnings per Share:

Basic earnings per share is calculated by dividing net profit/loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in the resources.

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

2.17 Statement of Cash flows:

For the purpose of Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits, short-term deposits with an original maturity of three months or less and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.18 Contributed Equity:

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Preference shares

The Company's mandatory Convertible preference shares are classified as equity because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the equity instruments. Discretionary dividends thereon are recognized as equity distributions on approval by the Company's shareholders.



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 3A : Property, plant and equipment

Particulars	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Electrical Installations	Computers	Laboratory equipment	Total property, plant and equipment
At cost or deemed cost								
Additions	7.11	3,473.09	69.52	45.77	133.88	7.48	0.14	3,736.99
Disposals/transfers	-	-	-	-	-	-	-	-
As at March 31, 2022	7.11	3,473.09	69.52	45.77	133.88	7.48	0.14	3,736.99
Accumulated depreciation								
Depreciation charge for the period	0.22	45.80	2.40	2.81	2.46	0.79	0.00	54.48
Disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2022	0.22	45.80	2.40	2.81	2.46	0.79	0.00	54.48
Net carrying amount								
As at March 31, 2022	6.89	3,427.29	67.12	42.96	131.42	6.69	0.14	3,682.51

Notes:

- Property, plant and equipment has been pledged as security for USD & INR Term loans. Refer note no. 17 and 45.
- There are capital commitments for the acquisition of Property, plant and equipments. Refer note no. 44.



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in INR Lakhs, unless otherwise stated)

Note 3B : Capital work in progress

Particulars	Capital work in progress	Total
Additions during the period	6,782.35	6,782.35
Disposals/transfers during the period	(3,614.23)	(3,614.23)
As at March 31, 2022	3,168.12	3,168.12

Notes

- a. Capital Work-in-progress represents assets under construction / installation at Mandla manufacturing facility and includes pre-operative expenditure pending allocation on commencement of commercial production.
b. Ageing analysis of capital work in progress as at March 31, 2022:-

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,168.12	-	-	-	3,168.12

Note 4 : Right of use assets

Particulars	Leasehold land	Total
Cost		
Additions	2,455.25	2,455.25
Disposal/Transfer	-	-
As at March 31, 2022	2,455.25	2,455.25
Depreciation		
Charge for the period	94.28	94.28
Disposals during the period	-	-
As at March 31, 2022	94.28	94.28
Net book value as at March 31, 2022	2,360.97	2,360.97

Notes:

- a. Leasehold land include land taken on lease for Mandla manufacturing facility from MP Industrial Development Corporation for period of 97 years from November 01, 2021 and lease hold land taken from Sheela Foam Limited (holding company) for Nandigram manufacturing facility for period of 9 years from October 01, 2021



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 5 : Loans

Particulars	As at March 31, 2022
(Unsecured, considered good)	
Loans to employees	0.88
Other	0.05
Total	0.93

Note 6 : Deferred tax assets (net)

Particulars	As at March 31, 2022
Deferred tax assets (net)	149.39
Total	149.39

Movement of deferred tax assets/ (liabilities)

Particulars	Opening balance	Recognised in profit and loss account	Recognised in other comprehensive income	Closing balance
Deferred tax assets/ (liabilities) in relation to				
As at March 31, 2022				
Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes.	-	(96.92)	-	(96.92)
Impact of expenditure charged to the statement of profit & loss in the current period but allowable for tax on payment basis	-	2.23	-	2.23
On re-measurements gain/(losses) on net defined benefit plans	-	-	0.53	0.53
Business loss	-	233.46	-	233.46
Leased assets	-	10.62	-	10.62
Total	-	149.39	0.53	149.92

Note 7 : Income tax recognised in profit or loss

Particulars	As at March 31, 2022
Current tax	
In respect of current period	-
Deferred tax	
Origination and reversal of temporary differences	(149.92)
Total income tax expense recognised in the current period	(149.92)

The income tax expense for the period can be reconciled to the accounting profit as follows:

Particulars	As at March 31, 2022
Loss before tax	(873.68)
Income tax expense calculated at 17.16%	(149.92)
Others	-
Income tax expense recognised in the Statement of	(149.92)
Effective Tax Rate	17.16%



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 8 : Other non current assets

Particulars	As at March 31, 2022
(Unsecured, considered good)	
Capital advances	539.70
Total	539.70

* Refer note :44 for value of contracts in capital account remaining to be executed as at March 31, 2022.

Note 9 : Inventories

Particulars	As at March 31, 2022
(Valued at lower of cost and net realisable value unless otherwise stated)	
Raw material	305.77
Raw Material (In Transit)	1.29
Packing Material	113.52
Work-in-progress	57.52
Finished goods	54.64
Stores and spares	16.18
Total	548.92

Notes:

a. The mode of valuation of inventories has been stated in note 2.

Note 10 : Trade receivables

Particulars	As at March 31, 2022
(At amortised cost)	
Unsecured	
Trade receivables - considered good (Refer note below)	415.29
Trade receivables - considered doubtful	-
Trade receivables (gross)	415.29
Less: Impairment allowance for trade receivables	-
Total	415.29
Further classified as	
Receivable from related parties* (refer note 36)	3.22
Receivable from others	412.07
	415.29

* Due from Sheela Foam Limited (Holding Company) in which the Company is having a common directors.

Note :

- No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- Trade receivables are usually non-interest bearing and are on in general trade terms of 0 - 60 days.
- The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company tracks changes in expected credit loss on trade receivables based on overdue outstanding exposure, expected default rate and basis exposure is secured/unsecured. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss.
- The net carrying value of trade receivables is considered a reasonable approximation of fair value.

e. Aeging Analysis of trade receivables as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	more than 3 years	
(i) Undisputed Trade receivables – considered good	415.29	-	-	-	-	-	415.29
(ii) Undisputed Trade receivables – considered good Which has significant increase in crec	-	-	-	-	-	-	-
(iii) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good Which has significant increase in crec	-	-	-	-	-	-	-



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 11 : Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as

Particulars	As at March 31, 2022
Balance with banks :	
Current accounts	31.32
Cash on hand	-
Total	31.32

Note: There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period.

Note 12 : Other current financial assets

Particulars	As at March 31, 2022
Unsecured, considered good	
Rodtep incentive receivable	1.59
Total	1.59

Note 13 : Current tax assets (net)

Particulars	As at March 31, 2022
Advance income tax and TCS (net of provision-Nil)	1.14
Total	1.14

Note 14 : Other current assets

Particulars	As at March 31, 2022
Advance to contractors/suppliers	1,952.92
Balances with Statutory/Government authorities:	
- GST	813.73
Prepaid expenses	17.67
Other loans & advances (refer (a) note below)	18.66
Total	2,802.98

Note:

a. Other loan and advances include amount of Rs. 18.48 lakhs receivable from Sheela Foam Employee's Gratuity Trust towards transfer of gratuity liability for employees transferred from Sheela Foam Limited to the company. Refer note 36.



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 15 : Equity share capital

A. Equity shares

Particulars	As at March 31, 2022
(a) Authorised share capital:	
1,00,000 fully paid equity shares of Rs. 10 each	10.00
	10.00
Issued, subscribed and paid up share capital:	
1,00,000 fully paid equity shares of Rs. 10 each	10.00
Total	10.00

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2022	
	Number of shares	Amount
At the beginning of the period	-	-
Add: Issued during the period	1,00,000	10.00
Outstanding at the end of the period	1,00,000	10.00

(c) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets, after distribution of all preferential amounts of the Company in proportion of their shareholding.

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

	As at March 31, 2022	
Name of shareholder	Number	% of holding
Sheela Foam limited (including nominee)	1,00,000	100.00%

(e) Shareholding of promoters & promoter group

Shares held by promoters at the end of the period	No. of shares	% of total shares	% Change during the year
Promotor name			
Sheela Foam Limited (including nominee)	1,00,000	100.00%	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

B. Instruments entirely equity in nature
Convertible Preference shares

Particulars	As at March 31, 2022
(a) Authorised :	
2,99,00,000 fully paid convertible preference shares of Rs. 10 each	2,990.00
	2,990.00
Issued, subscribed and paid up :	
2,99,00,000 fully paid convertible preference shares of Rs. 10 each	2,990.00
Total	2,990.00
Equity component of convertible preference shares	
2,99,00,000 preference shares of Rs. 10 each fully paid up	2,990.00
Total	2,990.00

(b) Reconciliation of convertible preference shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2022	
	Number of shares	Amount
Issued during the period	2,99,00,000	2,990.00
Outstanding at the end of the period	2,99,00,000	2,990.00

(c) Rights, preferences and restrictions attached to shares

i. The Company has issued Convertible Preference Shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held, only if any proposed resolution directly affects any rights or the interest of the holder including resolution for winding up or reduction of share capital. Each Convertible Preference Shares is entitled to a preferential dividend of 5% per annum payable in Indian Rupees.

ii. The Convertible Preference Shares shall rank senior to all classes of shares currently existing or established hereafter, with respect to distributions and shall rank pari passu with the equity shares in all other respects including voting rights and adjustments for any stock splits, bonuses, sub-division, recapitalization, issuance of bonus shares, non-cash dividends/ distributions to holders of shares, reclassification, conversion, buyback, cancellation, consolidation or merger.

Each Convertible Preference Shares is entitled to a preferential dividend rate of 5% per annum (the "Preferential Dividend"). The Preferential Dividend is non-cumulative.



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

	Number	% of holding
Sheela Foam Limited (including nominee)	2,99,00,000	100.00%

(e) Shareholding of promoters & promoter group

Shares held by promoters at the end of the period	No. of shares	% of total shares	% Change during the year
Promotor name			
Sheela Foam Limited (including nominee)	2,99,00,000	100.00%	100.00%

Note: As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(f) Terms of convertible preference shares

Company will convert preference shares into fully paid equity shares in the ratio of 1:1 within a period of 5 years from date of issue.

(e) As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 16 : Other equity

Particulars	As at March 31, 2022
Retained earnings	(721.21)
Total	(721.21)

Particulars	As at March 31, 2022
Retained earnings	
Net profit for the period	(723.76)
Remeasurement of gain on net defined benefit plan (net of tax)	2.55
Closing balance	(721.21)

Note 17 : Non-current borrowings

Particulars	As at March 31, 2022
Secured	
Term loan from bank	
- INR bank loan	352.68
- USD bank loan	7,247.32
Total	7,600.00

Note:

- INR & USD Term loans have been taken from JP Morgan & Kotak Mahindra Bank respectively during the period for purchase of capital equipments for its Nandigram & towards construction of Mandla (Jabalpur) manufacturing facilities.
- INR Term Loan carries interest to be charged on loan shall be linked to 1.37% over 3M T- Bill rates as applicable on the date of agreement shall be revised at interval of every 3 months. The loan is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period.
- USD Term Loan carries interest of 2.25% pa and is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period.
- USD & INR Term loans has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets).
- Purpose of loan and its utilization

Particulars of Loans	Purpose (as per Loan Agreement)	Whether used for the purpose stated in the loan Agreement	If no, mention the purpose for which it is utilised
JP Morgan (INR loan)	The facility shall be used by the borrower towards Capex at their new plants in Nandigram and Jabalpur.	Yes	Not applicable
Kotak Mahindra (USD Loan)	For capex at Maneri, Medhi Niwas, Jabalpur, Madhya Pradesh and Nandigram, Umbergaon, Valsad, Gujarat.	Yes	Not applicable

f. Repayment schedule for secured

Particular	JP Morgan (INR loan)	Kotak Mahindra (USD Loan)
Number of instalments due (Nos)	16	16
Rate of Interest (%)	1.37% over 3M T- Bill rates	2.25%
Within one year (INR)	-	-
After one year but not more than 5 years (INR)	352.77	7,000.00
More than 5 years (INR)	-	-

Note 18 : Lease liability

Particulars	As at March 31, 2022
Lease liability (refer note 40)	1,684.99
Total	1,684.99
Current	103.18
Non current	1,581.81

Note 19 : Provisions

Particulars	As at March 31, 2022
Long term provisions:	
Provision for employee benefits: (Refer Note 35)	
-Compensated absences (unfunded)	3.20
-Gratuity payable (unfunded)	19.59
Total (A)	22.79
Short term provisions:	
Provision for employee benefits: (Refer Note 35)	
-Compensated absences (unfunded)	0.06
-Gratuity payable (unfunded)	0.39
Total (B)	0.45
Grand total (A+B)	23.24



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 20 : Short -term borrowings

Particulars	As at March 31, 2022
Unsecured	
Loan from related party (refer note 36)	1,200.00
Total	1,200.00

Note:

- a. Loan from Sheela Foam Limited, Holding company has been taken for the purpose of purchase for capital goods of its Nandigram facility (Gujrat) and construction of Mandla facility (Jabalpur) and is repayable on demand along with interest @ 1.50 % over 3M T-Bill rates as applicable on the date of agreement and shall revised at an interval of every six months .
- b. The company has used such borrowings for the purposes as stated in the loan agreement.

Note 21 : Trade payables

Particulars	As at March 31, 2022
Trade payables other than acceptances:	
(i) Total outstanding dues of micro enterprises and small enterprises (refer note : 43)	60.65
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	440.50
Total	501.15

Note:

- a. Trade payables are non interest bearing and in general having the credit terms of 60 days to 90 days.

b. Ageing Analysis for Trade creditors as on March 31, 2022

Particulars	Unbilled Dues	Payables not due	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) MSME	-	60.65	-	-	-	-	60.65
(ii) Others	37.37	403.13	-	-	-	-	440.50
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Note 22 : Other current financial liabilities

Particulars	As at March 31, 2022
Creditors for capital goods	343.00
Book overdraft	26.77
Total	369.77

Note 23 : Other current liabilities

Particulars	As at March 31, 2022
Statutory dues payable:	
-TDS/TCS payable	27.61
-Provident fund payable	4.35
-Labour cess payable	11.83
-Professional tax payable	0.27
-GST payable	0.86
Total	44.92



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(In Indian Rupees (Lakhs), unless otherwise stated)

Note 24 : Revenue from operations

Particulars	For the period ended March 31, 2022
Sale of products	758.85
	758.85
Other operating revenue	
-Income from Rodtep Incentive Scheme	1.59
-Income from sale of processed scrap	2.52
Total	762.96

Note:

a. Includes sale of finished goods and semi-finished goods and services to related parties (Refer note 36).

Note 24.1 : Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers refer (note 41) for segment information

Segment	For the period ended March 31, 2022
Sale of goods	
Revenue from external customers	758.85
Total revenue from contracts with customers	
India	321.71
Outside India	437.14
Total revenue from contracts with customers	758.85

Note 24.2 : Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

Particulars	For the period ended March 31, 2022
Revenue as per contracted price (goods and services)	758.85
Less: Adjustments	
Rebate and discount	
Revenue from contracts with customers	758.85

Note 24.3 : Performance obligations

The performance obligation is satisfied upon dispatch of the product and payment is generally due in case of domestic sales within 0-30 days from delivery, while for export sales the performance obligations depends upon the nature of contract with different customers.

Note 25 : Other income

Particulars	For the period ended March 31, 2022
Sale of non-process scrap	6.49
Miscellaneous income	0.03
Total	6.52



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 26 : Cost of materials consumed

Particulars	For the period ended March 31, 2022
Raw material	
Opening inventory	-
Add: Purchases	1,231.54
Less: Closing inventory (including goods in transit of Rs. 1.29 Lakhs)	323.24
Total raw material consumed	908.30
Packing Material	
Opening inventory	-
Add: Purchases	181.07
Less: Closing inventory (including goods in transit of Rs. Nil)	113.52
Total Packing material consumed	67.55
Cost of materials consumed	975.85

Note 27 : Purchase of stock in trade

Particulars	For the period ended March 31, 2022
Mattresses	22.78
Total	22.78

Note 28 : Other manufacturing expenses

Particulars	For the period ended March 31, 2022
Power and fuel	16.27
Repair and maintenance:	
- Buildings	5.63
- Plant and equipment	4.90
Processing and other charges	8.30
Total	35.10

Note 29 : Changes in inventories of finished goods & work in progress

Particulars	For the period ended March 31, 2022
Closing stock:	
Finished goods	54.64
Work-in-progress	57.52
	112.16
Opening stock:	
Finished goods	-
Work-in-progress	-
	-
Changes in Inventories of finished goods & work-in-progress	(112.16)

Note 30 : Employee benefits expense

Particulars	For the period ended March 31, 2022
Salaries, wages, bonus, allowance, and other benefits	96.22
Contribution to gratuity & compensated absences (refer note no. 35)	5.66
Contribution to provident and other funds	3.05
Welfare expenses	9.57
Total	114.50

Note 31 : Finance costs

Particulars	For the period ended March 31, 2022
Interest expense:	
-On borrowings from banks	14.19
-Others on borrowings from holding company (refer note no. 20)	39.66
-On lease liabilities	47.11
Bank Charges	0.96
Total	101.92



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 32 : Depreciation and amortization expense

Particulars	For the period ended March 31, 2022
Depreciation on property, plant and equipment	54.48
Depreciation on right-of-use assets	94.28
Total	148.76

Note 33 : Other expenses

Particulars	For the period ended March 31, 2022
Repair and maintenance others	10.54
Freight and forwarding charges	6.66
Rent and hire charges	7.18
Insurance	6.61
Rates and taxes	9.48
Legal and professional charges	24.59
Travelling and conveyance	3.14
Net loss on foreign currency transactions and translations	228.84
Security Services	9.45
House Keeping	8.10
Filing Fee	28.15
Miscellaneous expenses	13.67
Total	356.41

Note 33.1 : Auditor's remuneration included in legal and professional charges (excluding GST)

Particulars	For the period ended March 31, 2022
Statutory audit	5.00
Out of pocket expenses	-
Total	5.00

Note 34. Earnings per share

Basic loss per share amounts are calculated by dividing the loss for the period attributable to equity holders by the weighted average number of equity shares outstanding during the period.

Diluted loss per share amounts are calculated by dividing the loss attributable to equity holders by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income/loss and share data used in the basic and diluted EPS computations:

Particulars	For the period ended March 31, 2022
Loss attributable to the equity holders	(723.76)
Earnings used in the calculation of basic earnings per share	(723.76)
Earnings used in the calculation of diluted earnings per share	(723.76)

Particulars	For the period ended March 31, 2022 (Numbers in lakhs)
Weighted average number of equity shares for the purposes of basic earnings per share (refer note a below)	1.00
Effect of dilution:	
Convertible preference shares	299.00
Weighted average number of equity shares adjusted for the effect of dilution	300.00

Particulars	For the period ended March 31, 2022 (Rs. per share)
Basic loss per share	(723.76)
Diluted earnings per share (refer note c below)	(723.76)

Notes:

- Company during the period issued 1,00,000 equity shares fully paid up on November 25, 2021
- Company during the period issued 2,99,00,000 convertible preference shares fully paid up on March 31, 2022
- Since conversion of above mentioned potential equity shares (Convertible preference shares) would decrease loss per share from continuing ordinary activities, hence these are anti-dilutive in nature and thus the effects of anti-dilutive potential equity shares are ignored in calculating diluted earning per share.



Note 35 : Employee benefits

A. Defined contribution plans

Company's employees are covered by Provident Fund to which the Company makes a defined contribution measured as a fixed percentage of salary. During the period, amount of Rs. 3.05 lakhs has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Particulars	For the period ended March 31, 2022
Employer's contribution towards Provident Fund(PF)	3.05

B. Defined benefit plans

Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is unfunded obligation. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

This plan is governed by the Payment of Gratuity Act 1972, which requires that each employee who has completed 5 years of service shall be entitled to gratuity which is equal to salary of 15 days for each completed year of service.

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

Particulars	For the period ended March 31, 2022
Discount rate	7.51%
Future salary increase/salary escalation	7.00%
Retirement age (years)	60
Employee turnover	
18 to 30 years	3.00%
From 31 to 45 years	2.00%
Above 45 years	1.00%

Notes:

- 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.
- Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Quantitative sensitivity analysis for significant assumptions as at March 31 2022 is shown below:

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

Particulars	For the period ended March 31, 2022
A evaluation sensitivity available for significant assumptions at March 31 , 2022 is as shown below .	
Discount rate	
Increase by 1.00%	(2.94)
Decrease by 1.00%	3.63
Salary increase	
Increase by 1.00%	3.61
Decrease by 1.00%	(2.98)

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

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

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

Particulars	For the period ended March 31, 2022
Service cost:	
Current service cost	4.64
Past service cost and (gain)/loss from settlements	-
Net interest expense	-
Components of defined benefit costs recognised in profit or loss	4.64
Remeasurement on the net defined benefit liability:	
Actuarial (gains) / losses arising from changes in financial assumptions	-
Actuarial (gains) / losses arising from experience adjustments	(3.08)
Components of defined benefit costs recognised in other comprehensive income	(3.08)
Total	1.56

The current service cost and the net interest expense for the period are included in the 'Employee benefit expenses' line item in the Statement of Profit and Loss.

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

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	For the period ended March 31, 2022
Present value of funded defined benefit obligation	19.98
Fair value of plan assets	-
Net liability arising from defined benefit obligation	19.98

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

Particulars	For the period ended March 31, 2022
Opening defined benefit obligation	-
Current service cost	4.64
Interest cost	-
Remeasurement (gains)/losses:	
Actuarial gains and losses arising from changes in financial assumptions	-
Actuarial gains and losses arising from experience adjustments	(3.08)
Acquisition /Business Combination / Divestiture	18.42
Benefits paid	-
Closing defined benefit obligation	19.98

Maturity profile of gratuity liability is as follows:

Particulars	As at March 31, 2022
0 to 1 year	0.39
1 to 2 Year	0.32
2 to 3 Year	0.36
3 to 4 Year	0.43
4 to 5 Year	0.54
5 Year onwards	17.94

Expected contribution in the next year is NIL.



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 36 : Related party transactions

(A) Names of related parties and description of relationships as identical and certified by the company:

Relationship	Name of the party
A. Holding company	Sheela Foam Limited
B. Key management personnel	Mr. Rahul Gautam (Director) (wef 01.10.2021) Mr. Tushaar Gautam (Director) (wef 01.10.2021)

(B) Details of transactions with related party in the ordinary course of business for period ended March 31, 2022

Particulars	For the period ended March 31, 2022
(1) .Holding company	
(i) Investment in share capital	
- Equity share capital	10.00
- Convertible preference share capital	2,990.00
	<u>3,000.00</u>
(ii) Unsecured Loan given	10,800.00
(iii) Repayment of unsecured loan	9,600.00
(iv) Purchase of material / capital goods	3,062.56
(v) Sale of material / capital goods	315.96
(vi) Rent paid	73.70
(vii) Interest paid	87.15
(viii) Corporate guarantee given to JP Morgan & Kotak Mahindra Bank for terms loans	7,600.00

(C) Balances outstanding at the end of the reporting period

Particulars	For the period ended March 31, 2022
i. Holding company	
Unsecured Loan	1,200.00
Trade receivables	3.22
Corporate guarantee	7,600.00
	<u>8,803.22</u>
ii. Sheela Foam Limited employees gratuity trust	
Other receivable	18.48

Notes:

- The 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 settlement occurs in cash. There have been no guarantees provided or received except as mentioned above. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- Also refer note 42 : Transfer pricing



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 37 : Fair values of Financial Assets and Financial Liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Note 37.1 : Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets measured at amortized cost					
Loans	March 31, 2022	0.93			0.93
Trade receivables		415.29			415.29
Cash and cash equivalents		31.32			31.32
Other financial assets		1.59			1.59

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortized cost					
Borrowings	March 31, 2022	8,800.00			8,800.00
Lease liabilities		1,684.99			1,684.99
Trade payables		501.15			501.15
Other financial liabilities		369.77			369.77

Note 38: Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include borrowings and foreign currency receivables and payables.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022.

The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company is exposed to foreign currencies such as "USD", "GBP" and "Euro".



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	As at March 31, 2022 (Lakhs)
Financial assets:		
Trade receivables	USD	5.53
Vendor advances	GBP	10.52
Financial liabilities:		
Trade payables	USD	(0.04)
Trade payables	EURO	(0.37)
Term loan	USD	(94.10)
Net assets / (liabilities)		(78.46)

Foreign currency sensitivity analysis

The Company is mainly exposed to USD, GBP and EURO. The following table details the Company's sensitivity to rate stated below in the INR against the relevant foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for the change mentioned in below table in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Particulars	%	As at March 31, 2022
Impact on profit or loss for the period (net)		
USD impact	2%	1.77
	-2%	(1.77)
EURO impact	3%	0.01
	-3%	(0.01)
GBP impact	2%	0.21
	-2%	(0.21)

(ii) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises mainly of interest-bearing (USD+ INR) project term loans. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

However, USD term loans are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

Exposure towards INR term loan is very small and management intends to repay same from operating cash flows in case of high fluctuations in interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

(iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Particulars	As at March 31, 2022
Non-current assets	
- Loans	0.93
Current assets	
- Trade receivables	415.29
- Cash and cash equivalents	31.32
- Other current financial asset	1.59
Total	449.13

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Particulars	Less than 1 Year	More than 1 Year	Total
Year ended March 31, 2022			
Short term borrowings	1,200.00	-	1,200.00
Long term borrowings	-	7,600.00	7,600.00
Trade payables	501.15	-	501.15
Other financial liabilities	1,743.68	9,181.81	10,925.49
	3,444.83	16,781.81	20,226.64

Note 39: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing from banks and financial institutions and current borrowing from holding company of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	As at March 31, 2022
Equity	10.00
Convertible preference share	2,990.00
Other Equity	(i) (721.21)
Total equity	2,278.79
Borrowings other than convertible preference shares	8,800.00
Less: cash and cash equivalents	31.32
Total debt	(ii) 8,768.68
Overall financing	(iii) = (i) + (ii) 11,047.47
Gearing ratio	(ii) / (iii) 0.79



International Comfort Technologies Private Limited
Notes forming part of the financial statements
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 40 : Disclosures as per Ind AS 116 'Leases'

(A) Company as lessee

- (i) The Company's significant leasing arrangements are towards leasehold lands taken for
- Its Mandla manufacturing facility from MP Industrial Development Corporation. The lease term is for 97 years
 - Its Nandigram manufacturing facility from holding company. The lease term is for 9 years
- (ii) The carrying amounts of lease liabilities and the movements during the period:

Particulars	For the period ended March 31, 2022
Additions	1,714.15
Accretion of interest	47.11
Payments	(76.26)
Closing liability as at March 31, 2022	1,685.00
Current	103.18
Non current	1,581.82
	1,685.00

(iii) Maturity analysis of the lease liabilities:

Contractual undiscounted cash flows	For the period ended March 31, 2022
0-12 months	221.06
1-2 years	231.69
2-5 years	764.27
More than 5 years	1,793.36
Total undiscounted lease liability	3,010.38
Less: Impact of discounting and other adjustments	1,325.38
Lease liability as at March 31, 2022	1,685.00

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

Particulars	For the period ended March 31, 2022
Interest on Lease Liabilities	47.11
Depreciation and amortisation expense	94.28
Expenses relating to short term leases	7.18

(v) The following are the amounts disclosed in the Statement of Cash Flows:

Particulars	For the period ended March 31, 2022
Cash outflow from leases	76.26



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 41 : Segment information

Operating segment information

The Company's operations predominantly comprise of only one segment i.e. mattress manufacturing . The management also reviews and measures the operating results taking the whole business as one segment and accordingly, makes decision about resource allocation. In view of the same, separate segmental information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments".

Geographical information

Particulars	For the period ended March 31, 2022
Revenue from external customer	
Sale of products	
Within India	321.71
Outside India	437.14
Total	758.85

The revenue information is based on locations of customer.

Non-current operating assets

The Company has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

Note 42 : Transfer pricing

The Company has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the group companies for the period ended March 31, 2022 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms.

Note 43 : Exposure towards Micro, Small and Medium Enterprises

Particulars	For the period ended March 31, 2022
-------------	--

- I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under:
- (i) The principal amount and the interest due thereon remaining unpaid to any supplier.
Principal amount: 60.65
Interest: -
 - (ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending. -
 - (iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year). -
 - (iv) The amount of interest accrued and remaining unpaid for the year ending. -
 - (v) The amount of further interest remaining due and payable for the earlier years. -

The Information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company. Further, the amount payable to these parties is not overdue hence no interest is required to provided/accrued as at March 31, 2022

- II The credit period for purchase of goods and services are normally up to 30 days. No interest is chargeable on trade payables.

Note 44 : Commitments for expenditure

Particulars	For the period ended March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (Net of advance Rs. 539.7)	5,241.26
	5,241.26

Note 45 : Assets Pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	For the period ended March 31, 2022
Non-Current assets	
Leasehold land	463.06
Property, plant and equipment	3,682.51
Capital work in progress	3,168.12
Total Assets pledged as security	7,313.69

Note based on the terms and conditions written on sanction letters by bank

Term loan with JP Morgan & Kotak Mahindra Bank Bank has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets & corporate guarantee provided by Sheela Foam Limited) .



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 46 : Derivative Instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at balance sheet date

Particulars	Currency	As at March 31, 2022	
		Amount in foreign currency	In INR
Trade payables	USD	0.04	2.96
Trade payables	EURO	0.37	31.69
Capital advances	GBP	10.52	1,764.25
Trade receivables	USD	5.53	419.53
Term loan	USD	94.10	7,247.32

Note 47. The Code on Social Security 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess 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 to determine the financial impact are published.

Note 48 : Disclosure for specific ratios

Particulars	Formula	Particulars	For the period ended March 31, 2022
		Numerator	Denominator
Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories+Financial assets+ Other current assets	Current Liabilities= Current Borrowings +Lease Liabilities +Trade Payables +Other financials Liabilities
			Equity share capital + Other Equity
			1.71
Debt equity Ratio	Debt / Equity	Non current borrowings+ Current Liabilities	
Trade payable turnover Ratio	Net Credit Purchases / Average Trade Payables	Net credit purchases =Cost of material consumed +Purchase of traded goods +Other manufacturing expenses +Changes in inventories of finished goods , traded goods & work in progress	Average Trade Payables =Total outstanding dues of micro enterprises and small enterprises+ Total outstanding dues of creditors other than micro enterprises and small enterprises
Net capital turnover Ratio	Revenue / Average Working Capital	Revenue =Revenue from operations	Average working Capital= Current asset -Current Liability
			0.48
Debt Service coverage Ratio	Net Operating Income / Debt Service	Net Operating Income = Total comprehensive income for the period + Finance costs + Depreciation and amortisation expense	Debt service=Finance costs + Lease payments + Principal payments
Net Profit Ratio	Net Profit / Net Sales	Net Profit = Total comprehensive income for the period	Net Sales =Revenue from operations
Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Total comprehensive income for the period	Shareholders Equity=Total Equity
Return on capital employed	EBIT / Capital Employed	EBIT= Profit before tax + Finance costs	Capital Employed = Total assets -current liabilities
			(0.05)
Inventory turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of goods sold =Cost of material consumed +Purchase of traded goods +Other manufacturing expenses +Changes in inventories of finished goods , traded goods & work in progress	Average Inventory= Inventory
Return on investment	Net Profit / Net Investment	Net Profit= Profit before tax + Finance costs	Net Investment = Total Equity + Current borrowings + Non Current borrowings
			(0.07)
Trade receivables turnover ratio	Net Credit Sales / Average Trade Receivables	Net Credit sales =Revenue from operations	Average Trade Receivables =Trade Receivables
			1.84



International Comfort Technologies Private Limited
Notes forming part of the financial statement
(in Indian Rupees (Lakhs), unless otherwise stated)

Note 49 : Details of Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto currency or Virtual currency during the financial period.

Note 50 : Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 51: Details of Benami Property held

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

Note 52: Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 .

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 53: Registration of charges or satisfaction with Registrar of Companies

A brief description of the charges or satisfaction	The location of the Registrar	The period (in days or months) by which such charge had to be registered as on March 31, 2022	Reason for delay in registration
The charge is created on entire fixed assets (Movable fixed assets and immovable fixed assets).	ROC-DELHI	30 days from the certified copy of hypothecation deed execute between bank & company	There is no delay in registration of Charge.

Note 54 : Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 55 : Utilisation of Borrowed funds and share premium:

(i) 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

(ii) 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,

Note 56 : Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions

There is no returns or statements of current assets filed with banks or financial institutions during the current reporting period.

Note 57 : Events after the reporting period

There are no significant events after the reporting period.

For MSA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 105047W

Manish P Bathija

Manish P Bathija
Partner
Membership No.: 216706



For and on behalf of the Board of Directors of
International Comfort Technologies Private Limited
CIN :U36999DL2021PTC397558

Rahul Gautam
Rahul Gautam
Director
DIN:00192999

Tushaar Gautam
Tushaar Gautam
Director
DIN:01646497

Shradha Shukla
Shradha Shukla
Company Secretary
M.No. A46072

Place: Gurugram
Date: May 12, 2022

Place: Noida
Date: May 12, 2022

Place: Noida
Date: May 12, 2022

Place: Noida
Date: May 12, 2022