

**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 accompanying financial statements of **International Comfort Technologies Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year 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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with 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 obtained by us 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 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 identified above when it becomes available 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

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.



## Responsibilities of Management and Board of Directors 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 (including other comprehensive income), 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.



- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, 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 58 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (2) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 58 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (3) Based on the audit procedures performed that have been 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 under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
  - v. The Company has neither declared nor paid any dividend during the year.
  - v. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.



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3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

*Nipun Gupta*

Nipun Gupta

Partner

Membership No. 502896

UDIN: 23502896BGTEUN2283



Place: Gurugram

Date: May 17, 2023

## 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 adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.



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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

*Nipun Gupta*

Nipun Gupta  
Partner  
Membership No. 502896  
UDIN: 23502896BGTEUN2283



Place: Gurugram  
Date: May 17, 2023



**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2023**

[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) of the Order are not applicable to the Company.
- (b) Property, Plant and Equipment, have been physically verified by the management at reasonable intervals during the year 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). The company does not have 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, as amended 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 year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) The Company has not been sanctioned any working capital limits during the year. 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. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security 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 nor 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.

- v. 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, 2023 and the Company has not accepted any deposits during the year.
- 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 services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.
- There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 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 relating to Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, cess or 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 year 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 year have been applied for the purpose for which they were raised.
- (d) According to the information and 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.





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(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 year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

x.

(a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

(a) Based on our 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 report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

(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 year ended March 31, 2023, 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 year. 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 Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv.

(a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act.

(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 year 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.

xvi.

(a) 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 3 (xvi)(a) of the Order are not applicable to the Company.



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

- xvii. Based on the overall review of financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

Particulars	March 31, 2023 (Current year)	March 31, 2022 (Previous Period)
Cash losses	Rs. 1,251 lakhs	Rs. 449 lakhs

- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 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 realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are not applicable to the Company. Hence, reporting under paragraph (xx)(a) to (b) of the Order is not applicable to the Company.



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- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

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

*Nipun Gupta*

Nipun Gupta  
Partner  
Membership No. 502896  
UDIN: 23502896BGTEUN2283



Place: Gurugram  
Date: May 17, 2023

**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, 2023]

**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 ("the Company") as of March 31, 2023 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, 2023, 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. 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 adequate 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 adequacy of 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

  
Nipun Gupta  
Partner  
Membership No. 502896  
UDIN: 23502896BGTEUN2283



Place: Gurugram  
Date: May 17, 2023



International Comfort Technologies Private Limited  
Balance Sheet as at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,401.59	3,682.51
Right-of-use assets	4	2,134.76	2,360.97
Capital work-in-progress	5	10,390.22	3,168.12
Financial assets			
(i) Other financial assets	6	149.56	0.05
Deferred tax assets (net)	7	655.10	149.39
Non current tax assets (net)	8	21.75	1.14
Other non-current assets	9	3,219.47	2,303.95
<b>Total non-current assets</b>		<b>19,972.45</b>	<b>11,666.13</b>
<b>Current assets</b>			
Inventories	10	1,763.88	548.92
Financial assets			
(i) Trade receivables	11	1,423.87	412.07
(ii) Cash and cash equivalents	12	229.19	31.32
(iii) Investments	13	10.59	-
(iv) Loans	14	1.53	0.88
(v) Other financial assets	15	14.71	1.59
Other current assets	16	2,095.85	902.68
<b>Total current assets</b>		<b>5,539.62</b>	<b>1,897.46</b>
<b>Total assets</b>		<b>25,512.07</b>	<b>13,563.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17(I)	10.00	10.00
Instruments entirely equity in nature	17(II)	2,990.00	2,990.00
Other equity	18	(2,710.44)	(721.21)
<b>Total equity</b>		<b>289.56</b>	<b>2,278.79</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	9,875.08	7,600.00
(ii) Lease liabilities	20	1,421.83	1,581.81
Provisions	21	57.96	22.79
<b>Total non-current liabilities</b>		<b>11,354.87</b>	<b>9,204.60</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	22	8,341.69	1,200.00
(ii) Lease liabilities	20	118.06	103.18
(iii) Trade payables			
- Total outstanding dues of micro and small enterprises	23	88.79	60.65
- Total outstanding dues of creditors other than micro and small enterprises	23	4,457.94	427.69
(iv) Other financial liabilities	24	699.06	233.73
Other current liabilities	25	161.05	54.50
Provisions	21	1.05	0.45
<b>Total current liabilities</b>		<b>13,867.64</b>	<b>2,080.20</b>
<b>Total liabilities</b>		<b>25,222.51</b>	<b>11,284.80</b>
<b>Total equity and liabilities</b>		<b>25,512.07</b>	<b>13,563.59</b>

Significant accounting policies

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

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

*Nipun Gupta*

Nipun Gupta  
Partner  
Membership No.: 502896

Place: Gurugram  
Date: May 17, 2023



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

*Rahul Gautam*

Rahul Gautam  
Director  
DIN:00192999

Place: Noida  
Date: May 17, 2023

*Tushaar Gautam*

Tushaar Gautam  
Director  
DIN:01646487

Place: Noida  
Date: May 17, 2023

International Comfort Technologies Private Limited  
Statement of Profit And Loss for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations	26	8,502.23	762.96
Other income	27	43.74	6.52
<b>Total Income</b>		<b>8,545.97</b>	<b>769.48</b>
<b>Expenses</b>			
Cost of materials consumed	28	4,402.63	975.85
Purchase of stock-in-trade	29	3,175.41	22.78
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(1,297.30)	(112.16)
Other manufacturing expenses	31	279.39	35.10
Employee benefits expense	32	590.11	114.75
Finance costs	33	294.86	101.92
Depreciation and amortization expense	34	731.94	148.76
Other expenses	35	2,849.49	356.16
<b>Total Expenses</b>		<b>11,026.53</b>	<b>1,643.16</b>
<b>(Loss) before tax</b>		<b>(2,480.56)</b>	<b>(873.68)</b>
<b>Income tax expense</b>			
Current tax			
Deferred tax (net)	7	(502.09)	(149.92)
<b>Total Income tax expense</b>		<b>(502.09)</b>	<b>(149.92)</b>
<b>(Loss) for the Year</b>		<b>(1,978.47)</b>	<b>(723.76)</b>
<b>Other comprehensive income (net of tax)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement gain / (loss) of the net defined benefit plans		(14.38)	3.08
Income tax effect on the above item	7	3.62	(0.53)
<b>Total Other comprehensive income/ (loss) (net of tax)</b>		<b>(10.76)</b>	<b>2.55</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(1,989.23)</b>	<b>(721.21)</b>
<b>Earnings per equity share (face value of Rs.10/- each):</b>			
Basic and diluted (Rs.)	36	(1,978.47)	(723.76)

Significant accounting policies

2

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

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

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

*Nipun Gupta*

Nipun Gupta  
Partner  
Membership No.: 502896

Place: Gurugram  
Date: May 17, 2023



*Rahul Gautam*

Rahul Gautam  
Director  
DIN:00192999

Place: Noida  
Date: May 17, 2023

*Tushaar Gautam*

Tushaar Gautam  
Director  
DIN:01646487

Place: Noida  
Date: May 17, 2023

International Comfort Technologies Private Limited  
Statement of Cash Flows for the year ended March 31, 2023

(₹ in Lakhs)		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
(Loss) before tax	(2,480.56)	(873.68)
Adjustments for:-		
Depreciation and amortization expense	731.94	148.76
Finance costs	294.86	101.92
Effect of exchange rate change on borrowings	489.01	247.32
Unrealised foreign exchange (gain) / loss (net)	(16.21)	(18.48)
Liabilities/provisions no longer required written back	(0.49)	-
Fair value (gain) / loss on investments (net)	(0.59)	-
(Profit) / loss on sale of property, plant and equipment (net)	(0.16)	-
<b>Operating loss before working capital changes</b>	<b>(982.20)</b>	<b>(394.16)</b>
<b>Changes in working capital:</b>		
(Increase) in Inventories	(1,214.96)	(548.92)
(Increase) in loans and trade receivables	(996.24)	(394.47)
(Increase) in other financial and non-financial assets	(1,355.80)	(904.32)
Increase in trade payables	4,058.39	488.34
Increase in provisions (Non Current)	24.41	25.34
Increase in other financial liabilities, non-financial liabilities and provisions	572.97	288.68
<b>Net Cash from / (used in) operations</b>	<b>106.57</b>	<b>(1,439.51)</b>
Income tax paid (net of refund)	(24.23)	(0.61)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>82.34</b>	<b>(1,440.12)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(269.17)	(3,736.99)
Proceeds from sale of property, plant and equipment	0.87	-
Change in Capital work-in-progress	(7,222.10)	(3,168.12)
Purchase of lease assets	-	(741.10)
Purchase of Investment	(10.00)	-
Capital Advances	(915.52)	(2,303.95)
<b>Net cash (used in) investing activities (B)</b>	<b>(8,415.92)</b>	<b>(9,950.16)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from equity shares & instruments entirely equity in nature	-	3,000.00
Proceeds from long term borrowings	5,077.76	7,352.68
Proceeds from short term borrowings	4,200.00	10,800.00
Repayments of short term borrowings	(350.00)	(9,600.00)
Principal paid on lease liabilities	(101.45)	(29.15)
Interest paid on lease liabilities	(113.54)	(47.11)
Interest paid	(181.32)	(54.82)
<b>Net cash flow from financing activities (C)</b>	<b>8,531.45</b>	<b>11,421.60</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>197.87</b>	<b>31.32</b>
Cash and cash equivalents at the beginning of the year	31.32	-
<b>Cash and cash equivalents at the end of the year</b>	<b>229.19</b>	<b>31.32</b>

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in brackets represent cash outflow.
- Components of cash and cash equivalents:

(₹ in Lakhs)		
	As at March 31, 2023	As at March 31, 2022
<b>Cash and cash equivalents</b>		
Balance with banks in current accounts	229.19	31.32
<b>Balance as per Statement of Cash Flows</b>	<b>229.19</b>	<b>31.32</b>

4. Changes in liabilities arising from financing activities :-

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Borrowings</b>		
Borrowings at the beginning of the year	8,800.00	-
Proceeds from the borrowings	9,277.76	18,152.68
Repayment of borrowings	(350.00)	(9,600.00)
Effect of exchange rate change on borrowings	489.01	247.32
<b>Borrowings as at year end</b>	<b>18,216.77</b>	<b>8,800.00</b>



International Comfort Technologies Private Limited  
Statement of Cash Flows for the year ended March 31, 2023

4. Changes in liabilities arising from financing activities :- (contd.)

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Lease liabilities</b>		
Lease liabilities at the beginning of the year	1,684.99	-
Addition during the year	-	1,714.14
Finance charges	113.54	47.11
Payment of lease liabilities	(214.89)	(76.26)
Cancellation / adjustments	(43.65)	-
Lease liabilities as at year end	<b>1,539.89</b>	<b>1,684.99</b>

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

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

Nipun Gupta  
Partner  
Membership No.: 502896

Place: Gurugram  
Date: May 17, 2023



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 17, 2023

Tushaar Gautam  
Director  
DIN:01646487

Place: Noida  
Date: May 17, 2023

International Comfort Technologies Private Limited  
Statement of Changes in Equity for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

Particulars	₹ in Lakhs
<b>Equity Shares</b>	
Add: Issued during the year	10.00
<b>Balance as at March 31, 2022</b>	<b>10.00</b>
Add: Issued during the year	-
<b>Balance as at March 31, 2023</b>	<b>10.00</b>

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	₹ in Lakhs
<b>5% optionally convertible preference shares</b>	
Add: Issued during the year	2,990.00
<b>Balance as at March 31, 2022</b>	<b>2,990.00</b>
Add: Issued during the year	-
<b>Balance as at March 31, 2023</b>	<b>2,990.00</b>

C. OTHER EQUITY

Particulars	₹ in Lakhs
<b>Retained Earnings</b>	
(Loss) for the year	(723.76)
Other comprehensive income/ (loss) for the year (net of tax)	2.55
<b>Balance as at March 31, 2022</b>	<b>(721.21)</b>
(Loss) for the year	(1,978.47)
Other comprehensive income / (loss) for the year (net of tax)	(10.76)
<b>Balance as at March 31, 2023</b>	<b>(2,710.44)</b>

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

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

*Nipun Gupta*  
Nipun Gupta  
Partner  
Membership No.: 502896

Place: Gurugram  
Date: May 17, 2023



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

*Rahul Gautam*  
Rahul Gautam  
Director  
DIN:00192999

Place: Noida  
Date: May 17, 2023

*Tushaar Gautam*  
Tushaar Gautam  
Director  
DIN:01646487  
Place: Noida  
Date: May 17, 2023



**INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**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 will establish two manufacturing facilities one in Medhi 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 statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 17, 2023.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of Compliance and Basis of Preparation**

**a. Basis of Preparation**

The standalone financial statements 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 standalone financial statements 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 standalone financial statements 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 standalone financial statements are 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



**INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

- 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.

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 statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at balance sheet date, reported amount of revenue and expenses for the year end disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying standalone financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the standalone financial statements. 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 43.



**INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**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.

**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.

**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 the date of commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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 STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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
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, technical evaluation 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 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:

- at amortized cost;
- at fair value through other comprehensive income (FVTOCI); and
- 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).





**INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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: 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.-

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 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.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**(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





**INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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.

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.



**INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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 cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of other 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.

*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.



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**(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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.4 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 realizable value. Cost of work in progress and manufactured finished goods is determined on weighted average and its cost comprises of 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.

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.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

**2.5 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, short term deposits with banks with original maturity of 3 months or less, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**2.6 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 smallest group of assets that generates cash



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

**2.7 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 balance 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.

**2.8 Revenue Recognition**

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.

IND As 115 five step model is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sales are recognized at the fair value of the consideration that can be reliably measured and reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, and cost of promotional programs, indirect taxes as may be applicable.

The Company provides various volume based rebates to certain customers once the goods are purchased by them above a certain threshold as specified in the scheme letter. Rebates outstanding at the balance sheet date are adjusted against the amount receivable from the customer. To estimate and recognise the liability for the incentives the company used the methods which best predicts the amount of incentives and is primarily driven by the number of volume thresholds mentioned in the contracts.

**i) Sale of goods - distributors**

The company operates via chain of distributors selling mattresses and home comfort products. Revenue from the such sales is recognised when control of the products being sold is transferred to distributor and when there are no longer any unfulfilled obligations. As per company's policies the performance obligations are fulfilled at the time of dispatch from the factory or warehouse.





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Company's contract with trade customers do not have financing component or non-cash consideration and the Company does not have any unbilled revenue or deferred revenue.

It is the company's policy to sell its products to the end customer with a right of return within a stipulated time period. Therefore, a refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned, based on estimate. Historical data and past trends are used to estimate such returns. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

The company's obligation to replace faulty products under the standard warranty terms is recognised as a provision (Refer note 25).

**ii) Sale of goods – B2B**

The company manufactures and sells a range of industrial foam and cushioning foam to B2B segment. Sales are recognised when control of the products has transferred, that is when the products are dispatched from the factory or the warehouse.

**Other Income**

**Income from sale of investments**

The Company earns profit/loss on sale of bonds and mutual funds. When these investments are sold, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

**2.9 Government Grants / Subsidy**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**2.10 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.





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c. Post-Employment Benefits

i. Defined contribution plan:

(A) **Provident fund**

Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company 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..

(B) **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 company 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.

ii. 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. Gratuity Liability is unfunded and accounted for as liability as at the Balance Sheet date.

d. Other Long Term Benefits

**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 defined benefit plans can be encashed only on discontinuation of service by employee.

2.11 **Leases**

**As a Lessee**

The Company's lease assets classes primarily consist of leases for Land & Buildings. The Company assesses whether a contract contains a lease, at the 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



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(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 recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense in the statement of profit and loss. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

Payments associated with short-term leases of warehouses are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Company has applied the practical expedient wherein it relied on its assessment of whether leases are onerous immediately before the date of initial application.

## **2.12 Foreign Currency Transactions**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the Statement of Profit and Loss.

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

## **2.13 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**



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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. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**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 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. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**2.14 Dividend Distribution:**

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

**2.15 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.



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**2.16 Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**2.17 Standards (including amendments) issued but not yet effective.**

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, to amend certain Ind ASs which are effective from 01 April 2023: Below is a summary of such amendments:

**(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements**

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**(ii) Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors**

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's financial statements.

**2.18 Standards that became effective during the year**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from 01 April 2022

**(i) Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37**



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Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

These amendments have no impact on the financial statements of the Company.

(ii) References to the Conceptual Framework - Amendments to Ind AS 103

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

These amendments have no impact on the financial statements of the Company.

(iii) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16

The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

(iv) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.





NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Buildings	Plant and Equipment	Furniture and fixtures	Office equipment	Electrical Fittings	Vehicles	Total property, plant and equipment
<b>At cost or deemed cost</b>							
Additions	7.11	3,473.23	69.52	53.25	133.88	-	3,736.99
Disposals/transfer	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>7.11</b>	<b>3,473.23</b>	<b>69.52</b>	<b>53.25</b>	<b>133.88</b>	<b>-</b>	<b>3,736.99</b>
Additions	-	142.42	35.50	71.59	6.51	13.15	269.17
Disposals/transfer	-	-	-	(1.42)	-	-	(1.42)
<b>As at March 31, 2023</b>	<b>7.11</b>	<b>3,615.65</b>	<b>105.02</b>	<b>123.42</b>	<b>140.39</b>	<b>13.15</b>	<b>4,004.74</b>
<b>Accumulated depreciation</b>							
Depreciation charge for the year	0.22	45.80	2.40	3.60	2.46	-	54.48
Disposals/adjustments	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>0.22</b>	<b>45.80</b>	<b>2.40</b>	<b>3.60</b>	<b>2.46</b>	<b>-</b>	<b>54.48</b>
Depreciation charge for the year	0.77	487.14	20.11	21.55	18.80	1.01	549.38
Disposals/adjustments	-	-	-	(0.71)	-	-	(0.71)
<b>As at March 31, 2023</b>	<b>0.99</b>	<b>532.94</b>	<b>22.51</b>	<b>24.44</b>	<b>21.26</b>	<b>1.01</b>	<b>603.15</b>
<b>Net carrying amount</b>							
<b>As at March 31, 2022</b>	<b>6.89</b>	<b>3,427.43</b>	<b>67.12</b>	<b>49.65</b>	<b>131.42</b>	<b>-</b>	<b>3,682.51</b>
<b>As at March 31, 2023</b>	<b>6.12</b>	<b>3,082.71</b>	<b>82.51</b>	<b>98.98</b>	<b>119.13</b>	<b>12.14</b>	<b>3,401.59</b>

Notes:

- Property, plant and equipment has been pledged as security against the USD & INR Term loans (refer note no. 47).
- Refer note no. 46 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.
- There are no title deeds of Immovable properties which are not held in name of the Company.



**NOTE 4 : RIGHT-OF-USE ASSETS**

(₹ in Lakhs)		
Particulars	Leasehold land	Total
<b>Cost</b>		
Additions	2,455.25	2,455.25
Disposal/Transfer	-	-
<b>As at March 31, 2022</b>	<b>2,455.25</b>	<b>2,455.25</b>
Additions	-	-
Disposals/transfer	(43.65)	(43.65)
<b>As at March 31, 2023</b>	<b>2,411.60</b>	<b>2,411.60</b>
<b>Accumulated Depreciation</b>		
Charge for the year	94.28	94.28
Disposals/transfer	-	-
<b>As at March 31, 2022</b>	<b>94.28</b>	<b>94.28</b>
Charge for the year	182.56	182.56
Disposals/transfer	-	-
<b>As at March 31, 2023</b>	<b>276.84</b>	<b>276.84</b>
<b>As at March 31, 2022</b>	<b>2,360.97</b>	<b>2,360.97</b>
<b>As at March 31, 2023</b>	<b>2,134.76</b>	<b>2,134.76</b>

**Notes:**

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

b. Refer note no. 42 for detailed disclosures as per Ind AS 116 "Leases".

**NOTE 5 : CAPITAL WORK-IN-PROGRESS**

(₹ in Lakhs)		
Particulars	Capital work-in-progress	Total
Additions	6,782.35	6,782.35
Disposals/transfers	(3,614.23)	(3,614.23)
<b>As at March 31, 2022</b>	<b>3,168.12</b>	<b>3,168.12</b>
Additions	7,222.10	7,222.10
Disposals/transfers	-	-
<b>As at March 31, 2023</b>	<b>10,390.22</b>	<b>10,390.22</b>

**Notes**

a. Capital Work-in-progress represents assets under construction / installation at Mandla manufacturing facility and it includes directly attributable costs incurred pertaining to commencement of commercial production.

b. Ageing analysis of capital work-in-progress:-

(₹ in Lakhs)					
<b>As at March 31, 2023</b>					
Particular	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7,222.10	3,168.12	-	-	10,390.22

  

(₹ in Lakhs)					
<b>As at March 31, 2022</b>					
Particular	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,168.12	-	-	-	3,168.12

c. Schedule for Capital work-in-progress whose completion is overdue compared to its original plan:-

(₹ in Lakhs)					
<b>As at March 31, 2023</b>					
Particular	Amount in Capital work-in-progress to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	10,390.22	-	-	-	10,390.22

  

(₹ in Lakhs)					
<b>As at March 31, 2022</b>					
Particular	Amount in Capital work-in-progress to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-



**NOTE 6 : OTHER FINANCIAL ASSETS (NON CURRENT)**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Security Deposits	149.56	0.05
<b>Total</b>	<b>149.56</b>	<b>0.05</b>

**NOTE 7 : DEFERRED TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets (net)	655.10	149.39
<b>Total</b>	<b>655.10</b>	<b>149.39</b>

**Movement of deferred tax assets/ (liabilities)**

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
<b>As at March 31, 2023</b>				
Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes	(96.92)	71.71	-	(25.21)
Impact of expenditure charged to the statement of profit & loss in the current period but allowable in tax on payment basis	2.76	0.47	-	3.23
Fair value of Investments	-	(0.15)	-	(0.15)
Business loss	233.46	581.87	-	815.33
Leased assets	10.62	(160.34)	-	(149.72)
Defined benefit obligation	(0.53)	8.53	3.62	11.62
<b>Total</b>	<b>149.39</b>	<b>502.09</b>	<b>3.62</b>	<b>655.10</b>

Note : During the year a scheme of amalgamation of International Comfort Technologies Private Limited (ICTPL) with its holding company i.e. Sheela Foam Limited (SFL) was filed with regulatory authority. Upon the approval of such scheme, the business loss of ICTPL will be allowed to be adjusted against the taxable profits of SFL. Accordingly, the company (ICTPL) has created above deferred tax asset which will be utilised by the SFL (Refer note no. 63).

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
<b>As at March 31, 2022</b>				
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 in tax on payment basis	-	2.76	-	2.76
Business loss	-	233.46	-	233.46
Leased assets	-	10.62	-	10.62
Defined benefit obligation	-	-	(0.53)	(0.53)
<b>Total</b>	<b>-</b>	<b>149.92</b>	<b>(0.53)</b>	<b>149.39</b>

**NOTE 8 : NON CURRENT TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax	21.75	1.14
<b>Total</b>	<b>21.75</b>	<b>1.14</b>

**NOTE 9 : OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Capital advances (refer note below)	3,219.47	2,303.95
<b>Total</b>	<b>3,219.47</b>	<b>2,303.95</b>

**Note:**

Refer note no. 46 for value of contracts in capital account remaining to be executed.



NOTE 10 : INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw material	212.09	305.77
Raw Material (in transit)	6.38	1.29
Packing Material	56.86	113.52
Packing Material (in transit)	5.39	-
Work-in-progress	64.31	57.52
Finished goods	184.08	54.64
Stock-in-trade	1,161.07	-
Stores and spares	67.60	16.18
Stores and spares (in transit)	6.10	-
<b>Total</b>	<b>1,763.88</b>	<b>548.92</b>

Note:

Inventories held by Company are subject to hypothecation by Kotak mahindra bank and JPMorgan chase bank A.E., India under second pari passu charge as security in respect of project term loan obtained by the Company.

NOTE 11 : TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
<b>Unsecured</b>		
Trade receivables - considered good (refer note below)	1,423.87	412.07
Trade receivables - considered doubtful	26.34	-
<b>Trade receivables (gross)</b>	<b>1,450.21</b>	<b>412.07</b>
Less: Impairment allowance for trade receivables considered doubtful	(26.34)	-
<b>Total</b>	<b>1,423.87</b>	<b>412.07</b>
<b>Further classified as</b>		
Receivable from others	1,423.87	412.07
	<b>1,423.87</b>	<b>412.07</b>

Note :

- No trade 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 general trade terms of 0 - 60 days.
- For trade receivables, the company has applied the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

d. Movement in the expected credit loss allowance:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	-	-
Charge / (reversal) in allowance during the year (net)	26.34	-
<b>Balance at the end of the year</b>	<b>26.34</b>	<b>-</b>

e. Refer note no. 40 for information about credit and market risk of trade receivables.

f. Below is the ageing analysis of trade receivables:-

As at March 31, 2023

(₹ in Lakhs)

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	953.30	468.76	0.89	0.92	-	-	1,423.87
– which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Disputed trade receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	4.61	0.12	21.61	-	-	26.34
	<b>953.30</b>	<b>473.37</b>	<b>1.01</b>	<b>22.53</b>	<b>-</b>	<b>-</b>	<b>1,450.21</b>

As at March 31, 2022

(₹ in Lakhs)

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	412.07	-	-	-	-	-	412.07
– which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Disputed trade receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-
	<b>412.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>412.07</b>



**NOTE 12 : 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 follows:

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks :		
Current accounts	229.19	31.32
<b>Total</b>	<b>229.19</b>	<b>31.32</b>

**Note:**

- a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.  
b) Cash balances with banks earn interest at floating rates based on daily bank deposit rates.

**NOTE 13 : INVESTMENTS**

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
In Mutual Funds - fully paid up		
Carried at fair value through profit and loss- Quoted	10.59	-
<b>Total Investments</b>	<b>10.59</b>	<b>-</b>
Aggregate amount of Quoted Investments	10.59	-
Aggregate market value of Quoted Investments	10.59	-

**NOTE 14 : LOANS (CURRENT)**

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
At amortised cost		
Loans to employees	1.53	0.88
<b>Total</b>	<b>1.53</b>	<b>0.88</b>

Note : In the above no loans or advances are granted to promoters, directors, KMPS and related parties.

**NOTE 15 : OTHER FINANCIAL ASSETS (CURRENT)**

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Rodtep incentive receivable	14.71	1.59
<b>Total</b>	<b>14.71</b>	<b>1.59</b>

**NOTE 16 : OTHER CURRENT ASSETS**

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Advance to contractors/suppliers	42.28	52.62
Balances with Statutory/Government authorities:		
- GST	1,883.38	813.73
Prepaid expenses	46.22	17.67
Other Loans and Advances (refer note below)	123.97	18.66
<b>Total</b>	<b>2,095.85</b>	<b>902.68</b>

**Note:**

Other loan and advances includes amount of Rs. Nil (March 31, 2022 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 no.38).





**NOTE 17(I) : EQUITY SHARE CAPITAL**

**Equity shares**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Authorised share capital:</b>		
1,00,000 fully paid equity shares of Rs. 10/- each	10.00	10.00
(March 31, 2022 : 1,00,000 fully paid equity shares of Rs.10/- each)		
	<b>10.00</b>	<b>10.00</b>
<b>Issued, subscribed and paid up share capital:</b>		
1,00,000 fully paid equity shares of Rs.10/- each	10.00	10.00
(March 31, 2022 : 1,00,000 fully paid equity shares of Rs.10/- each)		
<b>Total</b>	<b>10.00</b>	<b>10.00</b>

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
At the beginning of the year	1,00,000	10.00	-	-
Add: Issued during the year	-	-	1,00,000	10.00
<b>Outstanding at the end of the year</b>	<b>1,00,000</b>	<b>10.00</b>	<b>1,00,000</b>	<b>10.00</b>

**(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**

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Sheela Foam limited (including nominee)	1,00,000	100.00%	1,00,000	100.00%

**(e) Shareholding of promoters & promoter group**

Shares held by promoters at the end of the year	As at March 31, 2023			As at March 31, 2022		
	Number of Shares	% of holding	% Change during the year	Number of Shares	% of holding	% Change during the year
Promotor name						
Sheela Foam Limited (including nominee)	1,00,000	100%	0.00%	1,00,000	100%	0.00%

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.

**NOTE 17(II) : INSTRUMENTS ENTIRELY EQUITY IN NATURE**

**Optionally Convertible Preference shares**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Authorised share capital</b>		
2,99,00,000 fully paid 5% optionally convertible preference shares of Rs.10/- each	2,990.00	2,990.00
(March 31, 2022 : 2,99,00,000 fully paid optionally convertible preference shares of Rs.10/- each)		
	<b>2,990.00</b>	<b>2,990.00</b>
<b>Issued, subscribed and paid up :</b>		
2,99,00,000 fully paid 5% optionally convertible preference shares of Rs.10/- each	2,990.00	2,990.00
(March 31, 2022 : 2,99,00,000 fully paid convertible preference shares of Rs.10/- each)		
<b>Total</b>	<b>2,990.00</b>	<b>2,990.00</b>
<b>Equity component of optionally convertible preference shares</b>		
2,99,00,000 preference shares of Rs.10/- each fully paid up	2,990.00	2,990.00
(March 31, 2022 : 2,99,00,000 preference shares of Rs.10/- each fully paid up)		
<b>Total</b>	<b>2,990.00</b>	<b>2,990.00</b>



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

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
At the beginning of the year	2,99,00,000	2,990.00		
Issued during the year	-	-	2,99,00,000	2,990.00
Outstanding at the end of the year	2,99,00,000	2,990.00	2,99,00,000	2,990.00

(c) Rights, preferences and restrictions attached to shares

- The Company has issued Optionally 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.
- The Optionally 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 at the rate of 5% per annum (the "Preferential Dividend") in Indian Rupees. The Preferential dividend is non-cumulative.

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

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Sheela Foam Limited (including nominee)	2,99,00,000	100.00%	2,99,00,000	100.00%

(e) Shareholding of promoters & promoter group

Shares held by promoters at the end of the year	As at March 31, 2023			As at March 31, 2022		
	Number of Shares	% of holding	% Change during the year	Number of Shares	% of holding	% Change during the year
Promotor name						
Sheela Foam Limited (including nominee)	2,99,00,000	100%	0.00%	2,99,00,000	100%	0.00%

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 ownership of shares.

(f) Terms of optionally 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 the date of issue.



**NOTE 18 : OTHER EQUITY**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Retained earnings	(2,710.44)	(721.21)
<b>Total</b>	<b>(2,710.44)</b>	<b>(721.21)</b>

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Retained earnings		
Opening balance	(721.21)	-
Net (Loss) for the Year	(1,978.47)	(723.76)
Add: Remeasurement gain/(loss) on defined benefit plans (net of tax)	(10.76)	2.55
Closing balance	<b>(2,710.44)</b>	<b>(721.21)</b>

**NOTE 19 : BORROWINGS (NON CURRENT)**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Term loan from bank		
- INR bank loan	4,072.83	352.68
- USD bank loan	5,802.25	7,247.32
<b>Total</b>	<b>9,875.08</b>	<b>7,600.00</b>

**Notes:**

- INR & USD Term loans have been taken from JPMorgan Chase Bank, N.A., India & Kotak Mahindra Bank respectively during the year ended 31st March, 2022 for purchase of capital equipments for its Nandigram manufacturing unit and towards construction of Mandla (Jabalpur) manufacturing facility.
- INR Term Loan carries interest to be charged on loan 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 from the first disbursement.
- USD Term Loan carries interest of 2.25% p.a. and is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period from the first disbursement.
- USD & INR Term loans has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets) (refer note no. 47).

**e. 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
JPMorgan chase bank (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 bank (USD Loan)	For capex at Maneri, Medhi Niwas, Jabalpur, Madhya Pradesh and Nandigram, Umbergaon, Valsad, Gujarat.	Yes	Not applicable

**f. Repayment schedule for secured loan outstanding:-**

Particulars	As at March 31, 2023		As at March 31, 2022	
	JPMorgan	Kotak Mahindra	JPMorgan	Kotak Mahindra
Currency of Loan	INR	USD	INR	USD
Number of installments	16	16	16	16
Rate of Interest (%)	1.37% over 3M T- Bill rates	2.25%	1.37% over 3M T- Bill rates	2.25%
<b>Borrowings (Current) :-</b>				
Due within one year (refer note no. 22)	1,357.61	1,934.08	-	-
<b>Borrowings (Non Current):-</b>				
Due after one year but not more than 5 years	4,072.83	5,802.25	352.68	7,247.32
Due more than 5 years	-	-	-	-
	<b>5,430.44</b>	<b>7,736.33</b>	<b>352.68</b>	<b>7,247.32</b>

**NOTE 20 : LEASE LIABILITIES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Lease liabilities (refer note no. 42)	1,539.89	1,684.99
<b>Total</b>	<b>1,539.89</b>	<b>1,684.99</b>
Current	118.06	103.18
Non current	1,421.83	1,581.81



**NOTE 21 : PROVISIONS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Long-term provisions:</b>		
Provision for employee benefits		
-Compensated absences	12.56	3.20
-Gratuity payable (refer note no. 37)	45.40	19.59
<b>Total</b>	<b>57.96</b>	<b>22.79</b>
<b>Short-term provisions:</b>		
Provision for employee benefits		
-Compensated absences	0.27	0.06
-Gratuity payable (refer note no. 37)	0.78	0.39
<b>Total</b>	<b>1.05</b>	<b>0.45</b>

**NOTE 22 : BORROWINGS (CURRENT)**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Current Maturities of Long term borrowings (refer note no. 19)	3,291.69	-
<b>Unsecured</b>		
Loan from Holding company (refer note no.38)	5,050.00	1,200.00
<b>Total</b>	<b>8,341.69</b>	<b>1,200.00</b>

**Note:**

a. Loan from Sheela Foam Limited (Holding company) has been taken for the purpose of purchase for capital goods of its Nandigram manufacturing facility (Gujarat) and construction of Mandla manufacturing facility (Jabalpur) and is repayable on demand along with interest @ 1.47 % over 3M T-Bill rates as applicable on the date of agreement and shall revised at an interval of every 3 months.

b. The Company has used such borrowings for the purposes as stated in the loan agreement.

**NOTE 23 : TRADE PAYABLES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Trade payables other than acceptances:		
(i) Total outstanding dues of micro and small enterprises (refer note no. 45)	88.79	60.65
(ii) Total outstanding dues of creditors other than micro and small enterprises	4,457.94	427.69
<b>Total</b>	<b>4,546.73</b>	<b>488.34</b>

**Note:**

a. Trade payables due to related parties are disclosed in note no. 38.

b. Trade payables for micro and small enterprises are non interest bearing and are normally settled on 7 days to 30 days credit terms.

c. Trade payables other than micro and small enterprises are non interest bearing and are normally settled on 60 days to 90 days credit terms.

d. Ageing Analysis for Trade payables

**As on March 31, 2023**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Payables not due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
(i) MSME	-	88.79	-	-	-	-	88.79
(ii) Others	61.05	682.38	3,714.51	-	-	-	4,457.94
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	<b>61.05</b>	<b>771.17</b>	<b>3,714.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,546.73</b>

**As on March 31, 2022**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Payables not due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
(i) MSME	-	-	60.65	-	-	-	60.65
(ii) Others	27.78	-	399.91	-	-	-	427.69
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	<b>27.78</b>	<b>-</b>	<b>460.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>488.34</b>



**NOTE 24 : OTHER FINANCIAL LIABILITIES (CURRENT)**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Creditors for capital goods	518.92	206.96
Bank overdraft	-	26.77
Interest accrued on borrowings	180.14	-
<b>Total</b>	<b>699.06</b>	<b>233.73</b>

**NOTE 25 : OTHER CURRENT LIABILITIES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Statutory dues payable (including Provident Fund and Tax deducted at source)	70.25	44.92
Contract Liabilities (refer note a)	18.74	-
Employees & other Liabilities (refer note b)	72.06	9.58
<b>Total</b>	<b>161.05</b>	<b>54.50</b>

**Note :**

- Consists of advances received from customers towards supply of products.
- Consists of liabilities pertaining to employees of Rs. 72.06 Lakhs (March 31, 2022 of Rs.9.58 Lakhs).





**NOTE 26 : REVENUE FROM OPERATIONS**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products (refer note below)	8,447.84	758.85
	<b>8,447.84</b>	<b>758.85</b>
Other operating revenue		
-Income from Rodtep Incentive Scheme	13.12	1.59
-Income from sale of processed scrap	41.27	2.52
<b>Total</b>	<b>8,502.23</b>	<b>762.96</b>

**Note:**

Includes sale of finished goods and semi-finished goods and services to related parties (refer note no. 38).

**NOTE 26.1 : DISAGGREGATED REVENUE INFORMATION**

Set out below is the disaggregation of the Company's revenue from contracts with customers (refer note no. 43).

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Geographical Revenue</b>		
Revenue from external customers	8,447.84	758.85
<b>Total revenue from contracts with customers</b>		
India	5,825.09	321.71
Outside India	2,622.75	437.14
<b>Total revenue from contracts with customers</b>	<b>8,447.84</b>	<b>758.85</b>

**NOTE 26.2 : CONTRACT BALANCES**

The following table provides information about contract liabilities and receivables from contract with customers.

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Contract Liabilities</b>		
Advance from customers (refer note no. 25)	18.74	-
<b>Receivables</b>		
Trade Receivables (refer note no. 11)	1,423.87	412.07

Receivables represent the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer in advance.

**NOTE 26.3 : RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contracted price (goods and services)	9,383.95	758.85
Less : Adjustments		
Sales Return	325.01	-
Rebate and discount	611.10	-
<b>Revenue from contracts with customers</b>	<b>8,447.84</b>	<b>758.85</b>

**NOTE 26.4 : PERFORMANCE OBLIGATIONS**

The performance obligation for sale of product is considered as fulfilled according to the terms agreed with the respective customer.

**NOTE 27 : OTHER INCOME**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income from:</b>		
Interest on Income tax refund	0.06	-
<b>Other non operating income:</b>		
Sale of non-processed scrap	42.33	6.49
Fair valuation adjustments of investments designated as fair value through profit and loss*	0.59	-
Gain on sale/disposal of fixed assets	0.16	-
Other Miscellaneous Income	0.60	0.03
<b>Total</b>	<b>43.74</b>	<b>6.52</b>

\* Fair value through profit and loss of Investments represent fair valuation changes in mutual funds which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.



**NOTE 28 : COST OF MATERIALS CONSUMED**

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Raw material</b>		
Opening inventory	323.24	-
Add: Purchases	3,856.01	1,231.54
Less: Sales/adjustments	140.87	-
Less: Closing inventory (including goods in transit of Rs. 12.48 Lakhs (March 31, 2022: Rs 1.29 Lakhs))	292.17	323.24
<b>Total raw materials consumed</b>	<b>3,746.21</b>	<b>908.30</b>
<b>Packing Material</b>		
Opening inventory	113.52	-
Add: Purchases	612.44	181.07
Less: Sales/adjustments	7.29	-
Less: Closing inventory (including goods in transit of Rs. 5.39 Lakhs (March 31, 2022: Rs Nil))	62.25	113.52
<b>Total Packing materials consumed</b>	<b>656.42</b>	<b>67.55</b>
<b>Cost of materials consumed</b>	<b>4,402.63</b>	<b>975.85</b>

**NOTE 29 : PURCHASE OF STOCK-IN-TRADE**

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Traded goods -Bed sheets/comforters/PU foam/spring/coir mattresses	3,175.41	22.78
<b>Total</b>	<b>3,175.41</b>	<b>22.78</b>

**NOTE 30 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Closing stock:</b>		
Finished goods	184.08	54.64
Work-in-progress	64.31	57.52
Trading Stock	1,161.07	-
	<b>1,409.46</b>	<b>112.16</b>
<b>Opening stock:</b>		
Finished goods	54.64	-
Work-in-progress	57.52	-
Trading Stock	-	-
	<b>112.16</b>	<b>-</b>
<b>Changes in inventories of finished goods, stock-in-trade and work-in-progress</b>	<b>(1,297.30)</b>	<b>(112.16)</b>

**NOTE 31 : OTHER MANUFACTURING EXPENSES**

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel	62.44	16.27
Repair and maintenance:		
- Buildings	2.80	5.63
- Plant and equipment	114.39	4.90
Processing and other charges	99.76	8.30
<b>Total</b>	<b>279.39</b>	<b>35.10</b>

**NOTE 32 : EMPLOYEE BENEFITS EXPENSE**

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages, allowance, and other benefits	568.03	97.49
Contribution to gratuity (refer note no. 37)	12.47	4.64
Contribution to provident and other funds	20.48	3.05
Workmen and staff welfare	49.67	9.57
	<b>650.65</b>	<b>114.75</b>
Less: Transfer to Capital work-in-progress	60.54	-
<b>Total</b>	<b>590.11</b>	<b>114.75</b>



**NOTE 33 : FINANCE COSTS**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on financial liabilities measured at amortised cost:		
-On borrowings from banks	419.73	26.22
-On borrowings from Holding company (refer note no. 38)	206.58	79.32
-On lease liabilities	113.54	47.11
Bank Charges	1.56	0.96
	<b>741.41</b>	<b>153.61</b>
Less: Transfer to Capital work-in-progress	446.55	51.69
<b>Total</b>	<b>294.86</b>	<b>101.92</b>

**NOTE 34 : DEPRECIATION AND AMORTIZATION EXPENSE**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note no. 3)	549.38	54.48
Depreciation on right-of-use assets (refer note no. 4)	182.56	94.28
<b>Total</b>	<b>731.94</b>	<b>148.76</b>

**NOTE 35 : OTHER EXPENSES**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Freight and forwarding	528.05	6.66
Rent and hire	97.31	8.65
Insurance	44.15	14.88
Rates and taxes	1.69	9.61
Legal and professional	80.99	95.00
Other Maintenance	33.78	10.54
Selling and promotion	381.05	-
Travelling and conveyance	45.75	16.44
Advertisement	1,193.91	-
Net loss on foreign currency transactions and translations	441.08	228.84
Security Services	63.02	15.89
Provision for Bad debts	26.34	-
Miscellaneous	102.66	60.36
	<b>3,039.78</b>	<b>466.87</b>
Less: Transfer to Capital work-in-progress	190.29	110.71
<b>Total</b>	<b>2,849.49</b>	<b>356.16</b>

**NOTE 35.1 : AUDITOR'S REMUNERATION INCLUDED IN LEGAL AND PROFESSIONAL (EXCLUDING GST)**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory audit	6.00	5.00
Certification	0.50	-
Out of pocket expenses	0.11	-
<b>Total</b>	<b>6.61</b>	<b>5.00</b>



**NOTE 36. EARNINGS PER SHARE**

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

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

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

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss attributable to the Equity shareholders	(1,978.47)	(723.76)
Earnings used in the calculation of basic earnings per share	(1,978.47)	(723.76)
Earnings used in the calculation of diluted earnings per share	(1,978.47)	(723.76)

	(In Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Weighted average number of equity shares for the purposes of basic earnings per share (refer note below)	1.00	1.00
Effect of dilution:		
Optionally convertible preference shares	299.00	299.00
Weighted average number of equity shares adjusted for the effect of dilution	300.00	300.00

Particulars	For the year ended March 31, 2023 (₹. per share)	For the year ended March 31, 2022 (₹. per share)
Basic loss per share	(1,978.47)	(723.76)
Diluted earnings per share (refer note below)	(1,978.47)	(723.76)

**Note:**

Since conversion of above mentioned potential equity shares (Optionally 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 37 : 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 year, amount charged to the Statement of Profit and Loss towards employer's contribution to the scheme/funds as under:

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution towards Provident Fund(PF)	20.48	3.05

**B. Post employment benefits**

**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 year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.36%	7.51%
Future salary increase/salary escalation	7.00%	7.00%
Retirement age (years)	60	60
<b>Employee turnover</b>		
18 to 30 years	3.00%	3.00%
From 31 to 45 years	2.00%	2.00%
Above 45 years	1.00%	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, 2023 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.

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2023	For the period ended March 31, 2022
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<b>Discount rate</b>		
Increase by 1.00%	(6.85)	(2.94)
Decrease by 1.00%	8.46	3.63
<b>Salary increase</b>		
Increase by 1.00%	8.41	3.61
Decrease by 1.00%	(6.93)	(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 statements for the year ended March 31, 2023

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

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service cost:		
Current service cost	10.97	4.64
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	1.50	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>12.47</b>	<b>4.64</b>
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	1.12	-
Actuarial (gains) / losses arising from experience adjustments	13.26	(3.08)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>14.38</b>	<b>(3.08)</b>
<b>Total</b>	<b>26.85</b>	<b>1.56</b>

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

	(₹ in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	46.18	19.98
Fair value of plan assets	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>46.18</b>	<b>19.98</b>

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

	(₹ in Lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening defined benefit obligation	19.98	-
Current service cost	10.97	4.64
Interest cost	1.50	-
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	1.12	-
Actuarial gains and losses arising from experience adjustments	13.26	(3.08)
Acquisition /Business Combination / Divestiture	-	18.42
Benefits paid	(0.65)	-
<b>Closing defined benefit obligation</b>	<b>46.18</b>	<b>19.98</b>

Maturity profile of gratuity liability is as follows:

	(₹ in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
0 to 1 year	0.78	0.39
1 to 2 Year	0.64	0.32
2 to 3 Year	0.71	0.36
3 to 4 Year	0.87	0.43
4 to 5 Year	0.99	0.54
5 Year onwards	42.19	17.94

Expected contribution in the next year is Rs. Nil ( March 31, 2022 Rs. Nil)

**Risk exposure**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**a. Interest rate risk:**

Decreases/increases in the discount rate used (high quality corporate bonds) will increase/decrease the defined benefit obligation.

**b. Longevity risk:**

Changes in the estimation of mortality rates of current and former employees.

**c. Salary risk:**

Increases in future salaries increase the gross defined benefit obligation.



**NOTE 38 : 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) Mr. Tushaar Gautam (Director)
C. Fellow Subsidiaries	Joyce Foam Pty Ltd., Australia Divya Software Solutions (P) Ltd., India Sleepwell Enterprises Pvt. Ltd., India International Foam Technologies S.L, Spain Staquo World Pvt. Ltd., India Interplasp, SL, Spain (Subsidiary of International Foam Technologies SL, Spain) Joyce WC NSW PTY Limited (Subsidiary of Joyce Foam PTY Ltd., Australia) Staquo World Kft. (Subsidiary of Staquo World Private Limited) Staquo Incorporated (Subsidiary of Staquo World Private Limited) Staquo Technologies L.L.C (Subsidiary of Staquo World Private Limited)

**(B) Details of transactions with related party in the ordinary course of business for year ended March 31, 2023**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sheela Foam Limited (Holding Company)</b>		
(i) Unsecured loan taken	4,200.00	10,800.00
(ii) Repayment of unsecured loan	350.00	9,600.00
(iii) Purchase of material / capital goods	5,319.39	3,062.56
(iv) Sale of material / capital goods	1,584.04	315.96
(v) Rent paid	219.58	73.70
(vi) Interest paid	206.30	87.15
(vii) Corporate guarantee given to JPMorgan Chase Bank & Kotak Mahindra Bank for term loans	5,566.77	7,600.00

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

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>i. Sheela Foam Limited (Holding Company)</b>		
Unsecured Loan	5,050.00	1,200.00
Rent Payable	20.24	-
Interest Payable	164.13	-
Trade Payables	3,993.28	(3.22)
Lease liabilities	1,462.18	1,607.28
Corporate guarantee	13,166.77	7,600.00
<b>ii. Sheela foam employees gratuity trust</b>		
Other loans and advances	-	18.48

**Note:**

- a. 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, 2023, 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.



**NOTE 39 : FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as loans, trade receivables, cash and cash equivalents, borrowings, lease liabilities, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

**Note 39.1 : 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).

**Valuation Processes**

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) including board of directors. Discussions of valuation processes and results are held between the CFO and the valuation team every month. The Company takes the help of independent valuers for valuation purposes.

**Fair Valuation Technique**

The carrying amounts of trade receivables, trade payables, creditors towards capital goods, cash and cash equivalents and investments are considered to be the same as their fair values, due to their short-term nature.

The fair values financial assets and liabilities consisting of loans receivable, borrowings and lease liabilities were calculated based on cash flows discounted using estimated borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

**Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:**

(₹ in Lakhs)

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 fair value through profit and loss					
Investments		10.59	10.59	-	-
Financial Assets measured at amortized cost					
Loans		1.53	-	-	1.53
Trade receivables	March 31, 2023	1,423.87	-	-	1,423.87
Cash and cash equivalents		229.19	-	-	229.19
Other financial assets		164.27	-	-	164.27

(₹ in Lakhs)

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, 2023	18,216.77	-	-	18,216.77
Lease liabilities		1,539.89	-	-	1,539.89
Trade payables		4,546.73	-	-	4,546.73
Other financial liabilities		699.06	-	-	699.06

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

(₹ in Lakhs)

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	0.88	-	-	0.88
Trade receivables		412.07	-	-	412.07
Cash and cash equivalents		31.32	-	-	31.32
Other financial assets		1.64	-	-	1.64

(₹ in Lakhs)

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		8,800.00	-	-	8,800.00
Lease liabilities	March 31, 2022	1,684.99	-	-	1,684.99
Trade payables		488.34	-	-	488.34
Other financial liabilities		233.73	-	-	233.73



**NOTE 40: 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, investments, 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. 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 2023 and March 31, 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, 2023 and 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", "AED" and "EURO".

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, 2023 FC in Lakhs	As at March 31, 2022 (₹ in Lakhs)	As at March 31, 2022 FC in Lakhs	As at March 31, 2022 (₹ in Lakhs)
<b>Financial assets:</b>					
Trade receivables	USD	7.47	613.76	5.53	419.53
Trade receivables	AED	1.76	39.33	-	-
<b>Financial liabilities:</b>					
Trade payables	USD	-	-	(0.04)	(2.96)
Trade payables	EURO	(0.01)	(0.72)	(0.37)	(31.69)
Creditors for Capital Goods	EURO	(0.66)	(59.44)	-	-
Term loan	USD	(94.10)	(7,736.33)	(94.10)	(7,247.32)
<b>Net assets / (liabilities)</b>		<b>(85.54)</b>	<b>(7,143.40)</b>	<b>(88.98)</b>	<b>(6,862.44)</b>

**Foreign currency sensitivity analysis**

The Company is mainly exposed to USD, AED 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.

Currency	% Change	As at March 31, 2023	% Change	As at March 31, 2022
<b>Impact on profit or loss for the year (net)</b>				
USD	2%	(1.73)	2%	(1.77)
	-2%	1.73	-2%	1.77
EURO	3%	(0.02)	3%	(0.01)
	-3%	0.02	-3%	0.01
AED	2%	0.04	2%	-
	-2%	(0.04)	-2%	-



(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.

**Interest Rate Risk Exposure**

Particulars	As at March 31, 2023		As at March 31, 2022	
	(₹ in Lakhs)	% of Total	(₹ in Lakhs)	% of Total
Fixed Rate Borrowings	7,736.33	42.47%	7,247.32	82.36%
Variable Rate Borrowings	10,480.44	57.53%	1,552.68	17.64%
<b>Total Borrowings</b>	<b>18,216.77</b>	<b>100.00%</b>	<b>8,800.00</b>	<b>100.00%</b>

As at the end of the reporting years, the Company had the following variable rate borrowings outstanding :

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
Term loan from Bank (INR loan)		5,430.44		352.68
Loan from Holding Company (INR loan)		5,050.00		1,200.00
		<b>10,480.44</b>		<b>1,552.68</b>

**Sensitivity on Variable Rate Borrowings**

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Interest Rate Increase by 25 bp	(26.20)	(3.88)	(26.20)	(3.88)
Interest Rate Decrease by 25 bp	26.20	3.88	26.20	3.88

(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 the Company through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit limits, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or reversal thereof. Concentration of credit risk with respect to trade receivables are limited, due to company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on monthly basis.

(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, 2023 and 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.

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
<b>Non-current assets</b>				
- Other financial assets		149.56		0.05
<b>Current assets</b>				
- Investments		10.59		-
- Trade receivables		1,423.87		412.07
- Cash and cash equivalents		229.19		31.32
- Loans		1.53		0.88
- Other current financial asset		14.71		1.59
<b>Total</b>		<b>1,829.45</b>		<b>445.91</b>





**International Comfort Technologies Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2023**

**(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

(₹ in Lakhs)			
Particulars	Less than 1 Year	More than 1 Year	Total
<b>As at March 31, 2023</b>			
Borrowings	8,341.69	9,875.08	18,216.77
Lease liabilities	118.06	1,421.83	1,539.89
Trade payables	4,546.73	-	4,546.73
Other financial liabilities	699.06	-	699.06
	<b>13,705.54</b>	<b>11,296.91</b>	<b>25,002.45</b>
<b>As at March 31, 2022</b>			
Borrowings	1,200.00	7,600.00	8,800.00
Lease liabilities	103.18	1,581.81	1,684.99
Trade payables	488.34	-	488.34
Other financial liabilities	233.73	-	233.73
	<b>2,025.25</b>	<b>9,181.81</b>	<b>11,207.06</b>

**NOTE 41: CAPITAL MANAGEMENT**

The Company's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The Company considers the following components of its Balance Sheet to be managed capital:

1) Share Capital and 2) Other Reserves comprising of General Reserve and Retained Earnings. The Company's capital structure is based on the Managements assessment of the balances of key elements to ensure strategic decisions and day to day activities.

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Equity	10.00	10.00
Optionally Convertible preference share	2,990.00	2,990.00
Other Equity	(2,710.44)	(721.21)
<b>Total equity</b>	<b>289.56</b>	<b>2,278.79</b>
Borrowings including lease liabilities other than optionally convertible preference shares	19,756.66	10,484.99
Less: cash and cash equivalents	229.19	31.32
<b>Total debt</b>	<b>19,527.47</b>	<b>10,453.67</b>
<b>Overall financing</b>	<b>19,817.03</b>	<b>12,732.46</b>
<b>Gearing ratio (in %)</b>	<b>0.99</b>	<b>0.82</b>

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 capital structure of the Company is managed with a view of the overall macro economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company. In order, to maintain or adjust the capital structure, the Company will take appropriate steps as may be necessary.

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



**NOTE 42 : DISCLOSURES AS PER IND AS 116 'LEASES'**

**(A) Company as lessee**

(i) The Company's significant leasing arrangements are in respect of 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 year:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Liabilities	1,684.99	-
Additions	-	1,714.14
Accretion of interest	113.54	47.11
Repayment of Lease liabilities	(214.99)	(76.26)
Cancellation / adjustments	(43.65)	-
<b>Closing liabilities</b>	<b>1,539.89</b>	<b>1,684.99</b>
Current	118.06	103.18
Non current	1,421.83	1,581.81
	<b>1,539.89</b>	<b>1,684.99</b>

(iii) Maturity analysis of the lease liabilities:

Contractual undiscounted cash flows	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
0-3 months	55.01	8.55
3-12 months	170.31	212.51
1-2 years	236.15	231.69
2-5 years	779.04	764.27
More than 5 years	1,493.83	1,793.36
<b>Total undiscounted lease liabilities</b>	<b>2,734.34</b>	<b>3,010.38</b>
Less: Impact of discounting and other adjustments	1,194.45	1,325.39
<b>Lease liabilities as at March 31, 2023</b>	<b>1,539.89</b>	<b>1,684.99</b>

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

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on Lease Liabilities	113.54	47.11
Depreciation and amortisation expense	182.56	94.28
Expenses relating to short term leases	97.31	8.65

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

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash outflow from leases	214.99	76.26

(vi) There are no variable lease payments considered in the initial measurement of the lease liability and asset.

(vii) The extension and termination options held are exercisable based on mutual agreement of the company and the lessors.



**NOTE 43 : SEGMENT INFORMATION**

**Operating segment information**

The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors of the Company.

**Geographical information**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from external customers</b>		
<b>Sale of products</b>		
Within India	5,879.48	325.82
Outside India	2,622.75	437.14
<b>Total revenue</b>	<b>8,502.23</b>	<b>762.96</b>

The revenue information is based on location of customers and excluding other operating revenue.

**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 44 : 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 year ended March 31, 2023 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 45 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at 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	88.79	60.65
Principal amount:	-	-
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	-	-

ii. 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, 2023.

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

**NOTE 46 : COMMITMENTS FOR EXPENDITURE**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 3219.47 Lakhs (March 31, 2022: Rs. 2,303.95 Lakhs))	2,566.94	3,477.01
	<b>2,566.94</b>	<b>3,477.01</b>

**NOTE 47 : ASSETS PLEDGED AS SECURITY**

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

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Non-Current assets</b>		
Leasehold land	730.27	737.91
Property, plant and equipment	3,401.59	3,682.51
Capital work-in-progress	10,390.22	3,168.12
<b>Total Assets pledged as security</b>	<b>14,522.08</b>	<b>7,588.54</b>

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

Term loan with JP Morgan & Kotak Mahindra 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).



**NOTE 48 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE**

Particulars of unhedged foreign currency exposure as at balance sheet date:

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		FC in Lakhs	(₹ in Lakhs)	FC in Lakhs	(₹ in Lakhs)
Trade receivables	USD	7.47	613.76	5.53	419.53
Trade receivables	AED	1.76	39.33	-	-
Trade payables	USD	-	-	(0.04)	(2.96)
Trade payables	EURO	(0.01)	(0.72)	(0.37)	(31.69)
Creditors for Capital Goods	EURO	(0.66)	(59.44)	-	-
Term loan	USD	(94.10)	(7,736.33)	(94.10)	(7,247.32)

**NOTE 49. 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 50 : INCOME TAX RECOGNISED IN PROFIT OR LOSS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Current tax</b>		
In respect of current year	-	-
<b>Deferred tax</b>		
Origination and reversal of temporary differences including tax impact on Other comprehensive income	(505.71)	(149.39)
<b>Total income tax expense recognised in the current year including tax impact on Other comprehensive income</b>	<b>(505.71)</b>	<b>(149.39)</b>

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

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Loss before tax</b>	<b>(2,494.94)</b>	<b>(870.60)</b>
Income tax expense calculated at 25.168%	(627.93)	(219.11)
Effect of change in tax rate from previous year	69.72	-
Others	52.50	69.72
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>(505.71)</b>	<b>(149.39)</b>
<b>Effective Tax Rate</b>	<b>20.27%</b>	<b>17.16%</b>

**NOTE 51 : DISCLOSURE FOR SPECIFIC RATIOS**

Particulars	Formula	Particulars	For the year ended		Variance	Reasons for variance
			March 31, 2023	March 31, 2022		
<b>Current Ratio</b>	<b>Current Assets / Current Liabilities</b>	<b>Numerator</b> Current Assets= Inventories+ Financial assets+ Other current assets				
		<b>Denominator</b> Current Liabilities= Current Borrowings+ lease Liabilities+ Trade Payables+ Other financial Liabilities	0.40	0.91	-56%	Due to increase in current liabilities in comparison to current assets
<b>Debt equity Ratio</b>	<b>Debt / Equity</b>	Debt= Borrowings+ Lease Liabilities	68.23	4.60	1383%	due to increase in borrowings and losses
<b>Trade payable turnover Ratio</b>	<b>Net Credit Purchases / Average Trade Payables</b>	Net credit purchases= Purchase of RM & PM+ Purchase of traded goods+ Other manufacturing expenses	3.15	3.01	5%	
		Average Payables= Total outstanding dues of micro and small enterprises+ Total outstanding dues of creditors other than micro and small enterprises				



International Comfort Technologies Private Limited  
Notes forming part of the financial statements for the year ended March 31, 2023

Particulars	Formula	Particulars	For the year ended		Variance	Reasons for variance
			March 31, 2023	March 31, 2022		
Net capital turnover Ratio	Revenue / Average Working Capital	Revenue= Revenue from operations	(2.00)	(4.18)	-52%	Due to increase in current borrowings
Debt Service coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Profit/Loss after tax+ Finance costs+ Depreciation and amortisation expense	(0.11)	(0.36)	-69%	Due to increase in operating loss and borrowings
Net Profit Ratio	Net Profit / Net Sales	Net Profit= Profit/Loss after tax	(0.23)	(0.95)	-75%	due to increase in loss
Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Total comprehensive income for the year	(6.87)	(0.32)	2071%	due to increase in loss
Return on capital employed	EBIT / Capital Employed	EBIT= Profit before tax+ Finance costs	(0.19)	(0.07)	179%	Due to increase in operating loss and borrowings
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	5.67	1.68	238%	Increase in inventory level
Return on investment	Net Profit / Net Investment	Net Profit= Profit before tax+ Finance costs	(0.12)	(0.07)	70%	due to increase in losses
Trade receivables turnover ratio	Net Credit Sales / Average Trade Receivables	Net Credit sales= Revenue from operations	9.26	1.85	400%	due to increase in sale

**NOTE 52 : DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY**

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

**NOTE 53 : UNDISCLOSED INCOME**

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

**NOTE 54: 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 55: 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 transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**NOTE 56: 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, 2023	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	30 days from the certified copy of hypothecation deed execute between bank & Company	There is no delay in registration of Charge.





**NOTE 57 : 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 58 : 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 59 : RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS**

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

**NOTE 60 : EVENTS AFTER THE REPORTING PERIOD**

There are no significant events after the reporting period.

**NOTE 61 : NO TRANSACTIONS TO REPORT AGAINST THE FOLLOWING DISCLOSURE REQUIREMENTS AS NOTIFIED BY MCA PURSUANT TO AMENDED SCHEDULE III**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**NOTE 62 : FOLLOWING ARE THE RECLASSIFICATIONS MADE IN THE PREVIOUS YEAR FIGURES TO MAKE THEM COMPARABLE/ BETTER PRESENTATION WITH THE CURRENT YEAR FIGURES**

Particulars	March 31, 2022		Nature
	(Revised)	(Published)	
<b>Assets</b>			
<b>Non Current Assets</b>			
Other financial assets - Loans	0.05	0.93	Reclassification items
Other non-current assets	2,303.95	539.70	Reclassification items
<b>Current Assets</b>			
Other financial assets - Loans	0.88	-	Reclassification items
Trade Receivables	412.07	415.29	Reclassification items
Other current assets	902.68	2,802.98	Reclassification items
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade payables (other than Micro and Small enterprises)	427.69	440.50	Reclassification items
Other financial liabilities	233.73	369.77	Reclassification items
Other current liabilities	54.50	44.92	Reclassification items

**NOTE 63: SCHEME OF AMALGAMATION WITH HOLDING COMPANY**

The Scheme of Amalgamation of the Company, i.e., International Comfort Technologies Private Limited ("ICTPL" or "Transferor Company") with Sheela Foam Limited (Holding Company) ("SFL" or "Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Delhi ("NCLT"). The same will be accounted for in the books of accounts, in accordance with appendix C to Ind AS-103 on the approval from NCLT.

**NOTE 64**

Previous year figures are not comparable as the figures disclosed are for the period October 01, 2021 (date of incorporation) to March 31, 2022 only.

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

*Nipun Gupta*  
Nipun Gupta  
Partner

Membership No.: 502896

Place: Gurugram  
Date: May 17, 2023



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

*Rahul Gautam*  
Rahul Gautam  
Director

DIN:00192999

Place: Gurugram  
Date: May 17, 2023

*Tushaar Gautam*  
Tushaar Gautam  
Director

DIN:01646487

Place: Gurugram  
Date: May 17, 2023